





## OVERSEAS NEWS

## Iran bank chief warns of lower oil revenues

BY PATRICK COCKBURN IN TEHRAN

IRAN'S OIL income this year may be less than \$10bn (\$4.2bn) compared with the \$23bn (\$9.7bn) the Government originally expected, Mr. Ali Reza Nowbari, the central bank chairman, has said.

He warned that this, combined with preying political insecurity, was leading to "tremendous inflation." Civil servants have seen their salaries reduced by 60-70 per cent since the revolution, he said.

Mr. Nowbari, also said the Government's present budget deficit is higher than its income. Total Government expenditure is \$40bn, and an emergency budget is planned.

The warning from Mr. Nowbari comes in response to severe criticism of the central bank from the clergy. They say that because it still charges interest it is un-Islamic and has not been purged of supporters of the Shah's regime.

Listing the central bank's achievements, Mr. Nowbari said that less than 10 per cent of Iran's foreign assets not frozen by the U.S. were now in dollars, compared with 80 to 90 per cent at the end of last year.

Earlier this week, Mr. Ali Akbar Moftari, Iran's Ali Minister, claimed that oil exports had increased by 25 per cent over the last month to 1m barrels a day. Despite increased oil sales to Spain, Turkey and Bulgaria, observers in Tehran believe that third-quarter crude purchases will average 750,000 barrels a day.

Most oil consumers still consider Iran's price to be too high, and, admitting the depressed state of the market, Mr. Moftari said that "the price of crude oil cannot be separated from the average production level of the producing countries." He singled out Saudi Arabia and Iraq as being jointly responsible for the present oil surplus through their high production policies.

● The Tehran headquarters of the National Front, the traditional opposition under the Shah, was sacked by crowds after prayers yesterday. It is the third political party in Iran to have had its offices closed within the last month, as clerical control increases. Above the gates of the offices, a large banner now proclaims that "Nationalism is against Islam."

Such an attack had been predicted after the National Front headquarters in Isfahan was taken over earlier in the week, but no police or revolutionary guard protection was provided. Members of the Tehran revolutionary committee at the main gates of the building said they were examining papers discovered inside, and claimed they had found arms.

Over the last week, the clergy-dominated Islamic Republican Party, the most powerful political grouping in Iran, has accused the National Front of involvement in last week's military conspiracy against Ayatollah Khomeini's regime.

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## UNIT TRUST AND INSURANCE OFFERS

	Page
M & G Group	1
Arbuthnot Securities Limited	17
Gartmore Fund Managers	17
Fidelity International Investment Managers	26



GENERAL PETER WALLS yesterday firmly rejected reports that he was resigning as head of Zimbabwe's Joint High Command for political reasons. He was going, he said, because he felt his job was done.

"This has got nothing to do with politics," he said, adding that he had found it easy to work under Mr. Robert Mugabe, the Prime Minister. "I have made no decision to leave the country," he said. "I believe I have the right to retire and go and do something else."

The general told a news conference that he had wanted to retire for the past four years but on successive occasions had

LEFT: Gen. Walls

Army chief says working with Mr. Mugabe is easy and his job is now done

## Walls 'not resigning for political reasons'

BY TONY HAWKINS IN SALISBURY

He declined also to comment on who might succeed him as chief of the Military High Command and said that in his opinion his retirement was a "non-event." It would not affect white morale adversely, he added.

The general's remarks, while closely aligned to the official statement announcing his resignation, are at odds with assertions by senior military officials that he has found it increasingly difficult to work with the Zulu military commander, Mr. Rex Nkhomo and also reports that the general is deeply hurt and embittered at the "sellout" image that he has with many white regular troops in the former Rhodesian forces.

Photostat copies of a statement purporting to come from the "ZANU-PF" underground committee were yesterday being handed out on the streets of Salisbury. The document, which sharply attacks Mr. Mugabe and the moderate wing of his party and praises Mr. Edgar Tekere and Mr. Enos Nkala, as radicals, is unsigned and there is no way of checking on its authenticity.

Political observers pointed out that it could well be a "plant" designed to embarrass Mr. Mugabe and circulated either by whites or by black opposition political groups. The document attacks Mr. Mugabe for retaining the services of white public servants like

Cabinet Secretary George Smith, Treasury Secretary David Young and Press Officer Costa Pafitis.

Throughout, it refers to the Premier as "puppet Mugabe." It expresses support for Senator Nkala, Minister of Finance, Mr. Tekere, Minister of Manpower (both of whom have recently publicly attacked Joshua Nkomo) and also for Dr. Usher Wekandzwe, the radical Minister of Health and Mr. Kadungure, Minister of Transport. Other ministers are also attacked.

However, the document is being treated with the very greatest reserve since it could very well turn out to be an attempt to embarrass the Prime Minister.

## Bolivians resist junta takeover

BOLIVIAN CIVILIAN groups were mounting a massive resistance effort to the military junta which ousted the interim Government of President Lidia Gueiler in La Paz early on Thursday.

The junta consists of Army Commander Luis Garcia Meza, Air Force Commander Waldo Bernal Perez and Naval Commander Admiral Ramiro Terrazas.

Student organisations erected barricades in the streets of La Paz, Bolivia's administrative capital, and a general strike was called in protest. The city was placed under curfew from 9 pm to 7 am and authorities warned that violation of the curfew could lead to "lamentable occurrences." At least five persons have died and an undetermined number wounded in the violence surrounding the coup.

The National Committee for the Defence of Democracy called for road blocks and work stoppages in all areas of the country under military control, and urged Bolivian soldiers to resign their posts rather than take part in the military take-over.

In the tin mining areas of Siglo XX and Eumani, south of La Paz, miners began radio broadcasts exhorting their colleagues to organise a civilian army to fight against the armed forces.

There was no word on the fate of former President Gueiler, Socialist Party candidate. Sr. Marcelo Quiroga and Labour leader Sr. Juan Lechin, reported to have been kidnapped by paramilitary groups on Thursday.

However, one report indicated that Mrs. Gueiler had been able to seek political asylum in a foreign embassy. Sr. Quiroga is presumed to still be under arrest and suffering from wounds inflicted during the takeover.

Sr. Hernan Siles Zuazo, winner of 38 per cent of the votes in the June 29 presidential election, was reported alive but wounded, and hiding in La Paz. The former president and leader of Bolivia's 1952 revolution released a statement from his hiding place, calling for peaceful resistance "without provocation" to the military take-over.

Meanwhile, the United States Government announced it had halted all military aid to Bolivia and was suspending the new economic aid programme.

## Jamaica gang violence kills 25 in week

By Carole James in Kingston

FIVE PEOPLE were shot dead early on Friday in the western section of Kingston by an armed gang, bringing this week's murders in the Jamaican capital by the gangs to 25, in two incidents earlier this week, three women, all over 65, were killed in their beds, and two children, aged two and five, were shot and killed while playing in front of their home.

The Prime Minister, Mr. Michael Manley, and the leader of the Opposition, Mr. Edward Seaga, have made a joint public statement condemning the outbreak of murders.

Both leaders have also warned supporters that any prospective election candidates found to be engaged in violence would be removed from the parties' slate. Attacks on police stations continued this week, and the police are being repeatedly ambushed in the poorer sections of the city.

## Managua celebrates

CUBAN PRESIDENT Gen. Fidel Castro and Palestinian guerrilla chief Mr. Yasser Arafat will head the list of foreign leaders attending celebrations today to mark the first anniversary of the left-wing takeover in Nicaragua. Reuters reports from Managua.

## Reagan calls for national anti-Carter crusade

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. RONALD REAGAN called on all Americans to join a national crusade to sweep President Carter out of the White House when accepting the Republican Party Presidential nomination.

His eloquent, and rapturously received, address to the Republican Convention in Detroit sought to create the impression of a united and open party and to gloss over the simmering controversy of his failure to persuade former President Gerald Ford to join the ticket.

Flanked by his running mate, Mr. George Bush, and later by Mr. Ford himself, Mr. Reagan emphasised the traditional Republican values — "family, work, neighbourhood, peace and freedom" — but combined them with an invocation of the leadership example of the greatest Democratic President of this century, Franklin D. Delano Roosevelt.

He also offered an olive branch to moderates of all political persuasions who are disenchanted with the strong conservatism of the social parts of the party platform. He promised, for example, that, if President, he would set up a liaison office with all the 50 States to work to prevent discrimination against women.

Even as Mr. Reagan was speaking, President Carter was getting in a few initial responses of his own. Addressing a campaign rally in Florida, he accused the Republican Party



TOGETHERNESS: Mr. Reagan, Mr. Ford and Mr. Bush respond to the delegates' appreciation.

of being "elitist" and said that its leaders "are inclined to shoot from the hip."

Generally, Democratic Party strategists are relieved that the Reagan-Ford ticket did not come to pass, though they recognise the seriousness of a Reagan-Bush challenge. But they will make much of the manner in which Mr. Reagan failed to cut

a deal with the former President, with the implications it carries for the way in which he would operate as President.

The seductive contract failed because Mr. Ford, not surprisingly, wanted more than any president could cede in advance. It seems clear that when Mr. Ford spoke on television on Wednesday evening, while the

negotiations were at their most intense, of a "co-presidency," the distance between the two camps began to widen, not narrow. In the end it was Mr. Ford who went to Mr. Reagan to say it could not be worked out.

Mr. Reagan stands vulnerable to the accusation that he ought to have realised that the enormous difficulties of a deal

with Mr. Ford could, and should, never have come down to 24 hours of intensive negotiations in the highly charged atmosphere of a party convention.

What amounted to a "shot-gun marriage" had such profound constitutional, practical and political ramifications that, if it was to be entertained at all, it should have been broached in the two months before the Detroit convention, after Mr. Reagan was assured of the nomination.

Republicans believe, perhaps rightly, that the future will blow over soon, and that the nation will concentrate on the broad and bitter economic and foreign policy issues that will determine the election.

This, certainly, was Mr. Reagan's message on Thursday night, which was notable not only for the oratorical skill with which it was delivered but for the relative moderation which it advanced.

It was given a unique, Reaganesque, dramatic finale. Letting his voice break and his eyes mist over, he said he had "worried" over whether or not to finish his speech this way, but he did, with the following words:

"I confess that I've been a little afraid to suggest what I'm going to suggest. I'm more afraid not to — that we begin our crusade — joined, together in a moment of silent prayer. God Bless America."

## NZ near agreement on EEC lamb restraints

BY JOHN WYLES IN BRUSSELS

NEW ZEALAND appears to be close to agreeing with the European Community that it will voluntarily restrain its exports of lamb to the EEC in return for a substantial tariff reduction.

Reports from Auckland indicate that in negotiations with Mr. Finn Olav Gundelach, the EEC's Agricultural Commissioner, Prime Minister Robert Muldoon has signalled that New

Zealand lamb shipments could be pegged at 234,000 tonnes for the next two years, providing the EEC's tariff is cut from 20 per cent to 8 per cent. According to Mr. Muldoon this reduction would yield an extra £12m to New Zealand sheep farmers.

Before leaving for Brussels yesterday, Mr. Gundelach claimed that he had exceeded his mandate in offering a tariff reduction to 10 per cent and could not at this stage go

further. He will report back on Tuesday to a meeting in Luxembourg of EEC agriculture ministers which will discuss a possible counter-offer on tariffs.

Agreement with New Zealand is one of the conditions for introducing the new EEC sheep meat regime settled at the end of May as part of the package reducing Britain's budget contribution.

The export restraint New Zealand is ready to accept is a compromise between the

240,000 tonnes demanded by Mr. Muldoon, representing New Zealand's average shipments to the EEC over the last seven years, and the three-year average of 230,000 tonnes offered by the Commission.

It is understood that undertakings have also been given that New Zealand will not try to start selling its lamb in Ireland and France, where its exports to the EEC are a sensitive issue to domestic producers.

## Cossiga backs down over workers tax plan

BY RUPERT CORNWELL IN ROME

THE ITALIAN Government yesterday backed down over the planned "solidarity fund" levy on workers' salaries, a part of this month's economic deflationary measures, in a bid to ensure the smooth passage of the package through Parliament.

After bitter opposition from the Communist Party (PCI) and wide sections of the trade union rank and file, the Government of Sig. Francesco Cossiga has decided for the present to allow the measure establishing the 0.5 per cent levy to lapse in September.

Sig. Cossiga then intends to present a draft Bill, which can more easily be debated and amended in Parliament, to establish such a fund. Proceeds would be used to help the depressed south and companies in severe trouble. The climb-

down, which came after a day of frantic consultations between Government, the three coalition parties and the union leadership, is being hailed as a major victory for the Communists.

With this success, the PCI has demonstrated that it can exert decisive influence on Government legislation though in opposition, and that it is the most effective champion of working class interests, rather than the union leadership which had previously endorsed the solidarity fund.

This triumph may not be enough to assuage the Communists who remain determined to bring down the Cossiga administration which comprises the socialist's PCI's rivals for leadership of the Italian left.

## Jerusalem road scheme threatens Old City Walls

BY OUR TEL AVIV CORRESPONDENT

JERUSALEM's city fathers yesterday balked at a road improvement scheme which might have subjected the wall round the Old City to dangerous traffic vibrations. For once, the controversy had nothing to do with Arab and Jewish rights in Jerusalem, even though the area being replanned lies just inside the old Arab sector.

Objections on aesthetic grounds were lodged by the Council for a Beautiful Israel. Under the scheme, known as the Mamilla project, the road that runs through the Jaffa Gate, would be widened to bring it right up beside the towering stone walls built by the Turks four centuries ago.

Critics feared traffic vibrations might make sections of the old wall collapse; others fear that the roadworks might

destroy archaeological remains. Project Mamilla would have widened the road to four lanes. At its meeting yesterday, the District Planning Commission voted to keep the road at its present width but agreed to have the level of the road lowered so it will run beneath a pedestrian promenade leading to the Jaffa Gate. This will ease traffic jams now caused by pedestrians using the road crossing.

● Jewish settlers hoisted their flag at yet another outpost on the occupied West Bank yesterday, without authorisation from the Israeli authorities.

Forty or so settlers, most of them new immigrants from Russia, put up a wooden hut, erected tents and fenced off the site on a hilltop not far from the town of Kalkiya.

## No cuts in Japan's car exports

JAPANESE motor manufacturers yesterday denied that a decision had been taken to cut car exports to the UK from 20,000 units to 10,000 units per month, from September onwards. They were commenting on a report in a Japanese financial newspaper that such a decision had been taken. The report said that Japanese car exports to the UK would have to be cut back sharply during the remainder of the year if Japan was to avoid exceeding the market share of 10 to 11 per cent to which the industry was informally committed. The cutback would be necessary because registrations in the UK are falling well below the levels of a year ago.

The Japanese industry is in fact expected to stay within its 1979 share of the UK market. But no formal undertaking on export levels during the remainder of the year are likely to be given. Such undertakings would breach the Japanese anti-monopoly laws, which prohibit competing companies from dividing a market among themselves.

● The Taiwan Government has approved the import of European cars of 3,000 cc and below, beginning in August. Reuters reports from Taipei. However, the ban on Japanese car imports will remain in force.

## India joins space club

By K. K. Sharma in New Delhi

INDIA joined the space club yesterday when scientists launched a 35 kg satellite. The satellite is orbiting the earth once every 90 minutes.

● Mrs. Indira Gandhi announced the successful launching to cheering members of parliament shortly after it was confirmed that the satellite was in orbit. "This is a notable achievement for Indian Science," said the Prime Minister.

The four-stage solid propellant rocket, developed and made entirely by Indian scientists, was launched from the Sriharikota range. A similar attempt last year failed when the rocket plunged into the Bay of Bengal. Previously Indian satellites have been launched with Soviet aid.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription prices \$350.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

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## UK NEWS

## Ministers elated as price inflation rate declines

BY RICHARD EVANS, LOBBY EDITOR

MINISTERS yesterday grasped the opportunity given by the first fall in the inflation rate since the General Election to proclaim that Government policies were beginning to work — and would do so increasingly, provided there was responsibility over wage demands.

Sir Geoffrey Howe, Chancellor of the Exchequer, told the Welsh Conservatives' annual conference at Swansea: "We are making headway. Money supply is coming under firm control. So are prices."

But, although Ministers were eager to celebrate the good news on the retail price index and were confident that the projected figure of a 16 per cent inflation rate by November would be met, there were numerous reminders that progress could be halted by excessive wage settlements.

In the immediate future, however, the Chancellor forecast that there would be an even bigger drop in the Retail Price Index this month.

He emphasised the continuing

need to conquer inflation as the Government's top priority. "Inflation prices British exports out, and encourages foreign imports in. Inflation forces business to cut investment plans and inflation destroys jobs."

"That is why we have to fight inflation first, by controlling the money supply and by cutting Government borrowing," he declared.

He pledged that the Government, in the next four years, would set the British economy firmly back on the path towards prosperity.

Mrs. Sally Oppenheim, Minister for Consumer Affairs, told South Worcestershire Conservatives that the fall in the index was the first modest but very real evidence that the trend in inflation is now turning inexorably downwards.

In her view, it was a trend that was likely to accelerate in the coming months. The inflation rate would end up lower than even the most optimistic forecast, if no unforeseen circumstances prevented it, she forecast.

"We have in this country today a true buyers' market for the first time for many years. Competition is flourishing and the consumer is king... the market place is responding to consumer power."

Another Minister, Mr. Nicholas Edwards, Secretary for Wales, told Welsh Conservatives that the Government remained absolutely determined to stick to its central strategy.

"The evidence that attitudes are changing is coming through loud and clear from industry as wage claims are being lowered and prices adjusted. As to what is happening to inflation, all the indicators are now providing powerful evidence that the inflation rate is about to turn down."

In a promise to pensioners that they would fully share in any improvement in the economy, Mr. Patrick Jenkin, Secretary for Social Services, stressed that pensioners more than any other group stood to gain as the Government conquered inflation.

## Police on alert after bomb threat

BY ROBIN REEVES

POLICE were put on alert and security tightened throughout Wales yesterday, as Mrs. Thatcher and other visiting Cabinet Ministers ran into a series of hostile protests against Government policies.

The most serious incident was the overnight planting of two firebombs at the Crickhowell home of Mr. Nicholas Edwards, the Welsh Secretary of State, and at a Conservative club in Cardiff.

Police said later the bomb at Mr. Edwards' home could have killed his son Rupert had it exploded.

In North Wales, Mrs. Thatcher was met by 75 angry

demonstrators protesting at the Government's Welsh television policy.

They blocked the path of her car and pelted it with eggs as it arrived outside an Anglesey aluminium smelter.

And on her visit to Holyhead, the Prime Minister was met by some 200 dockers and railwaymen protesting at the Government decision to hive off Sealink from British Rail.

In South Wales, Sir Geoffrey Howe, Chancellor of the Exchequer, was jeered and booed by 70 demonstrators at the Inland Revenue's Cardiff offices. They were protesting at staff cuts.

Mrs. Thatcher and Sir Geoffrey were on their way to the Conservative's annual Welsh conference in Swansea.

After the incidents, police and Special Branch officers threw a cordon round the hotel where the conference was taking place.

No one yesterday claimed responsibility for the bomb attacks. But the devices, according to letters received by the media shortly after the incidents, were similar to three placed at Conservative offices in Cardiff and Shotton earlier this year in protest at the rundown of Welsh steel and coal industry.

## Industrial gas price restraint

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE BRITISH Gas Corporation is to soften the blow on prices for its established industrial customers. Contract gas prices will be put up to around 30p, a therm — not the 40p level suggested at the beginning of the week.

Some customers will still face rises of up to 61 per cent.

The corporation has been checking its figures. On Monday it estimated that its industrial contract customers were paying roughly 26p to 33p a therm for their gas. Now it says the contract price range this month is 18.5p to 27p a therm.

British Gas wants to link its contract prices more closely to

its main competitor, gas oil, which currently costs the equivalent of about 40p a therm. But it has decided that only new customers, and established customers wanting extra supplies, will be made to pay the full 40p.

Those wanting to renew existing contracts will be charged about 25 per cent less than the equivalent gas oil price. British Gas reckons its contract customers are paying an average of 23p a therm for their gas.

The average increase for big industrial and commercial users will therefore be just over 30 per cent. Minimum rises will be about 11 per cent. Nearly 40 per cent of the 17bn

therms British Gas sells each year goes to contract customers most of them on annual contracts. The planned price rises will be brought into operation as these contracts are renewed.

The Chemical Industries Association claims that gas prices for industrial consumers on the continent are linked to the cheaper fuel oil price. The association says UK chemical companies are being forced to pay much more for their gas than their competitors in the rest of Europe.

Yesterday the association claimed that 26p a therm was now the bottom of the price range for industrial contract gas.

STAMPS TRIBUTE: Britain's musical heritage will be celebrated by the Post Office on September 10 with the issue of a set of stamps (above) featuring four conductors — Sir Henry Wood, Sir Thomas Beecham, Sir Malcolm Sargent and Sir John Barbirolli.

The stamps were designed by Peter Gould, and printed by Harrison and Sons, High Wycombe.

DENIAL: Social Services Secretary Mr. Patrick Jenkin yesterday strongly denied having misled MPs and the public over plans to re-organise the NHS. Mr. Reg Race (Lab., Wood Green) had claimed to have proof that Ministers had made decisions on how the NHS should be re-shaped — so scuttling the consultation process.

Mr. Jenkin replied in a letter: "I completely reject this accusation and would ask you to withdraw it. I have misled no one."

CONTRACT: A £13m contract to build living quarters for use by British Petroleum in its North Sea Magnus Field has been won by Redpath Engineering, part of the Redpath Dorman Long group, owned by the British Steel Corporation.

## Dutch reject B Cal cut price service

BY CHARLES BATCHELOR AND WILLIAM HALL

BRITISH efforts to pioneer cheap airfares in Europe have suffered another setback with the Dutch refusal to allow British Caledonian to operate a cut price scheduled service between Gatwick and Amsterdam.

Earlier this month, British Caledonian applied to the Dutch and Belgian authorities for permission to offer its "Mini-Prix" fares. On its Gatwick-Brussels/Amsterdam routes, for example, British Caledonian planned to sell bookable seats for £21 and other standby fares at £15.50. Normal economy class fare is £49.50.

The Dutch have refused the application because British Caledonian is not prepared to stipulate that there should be a Saturday between the outward and return flights.

The Dutch told the British Civil Aviation Authority of their decision in a letter sent on July 17. The Dutch Transport Ministry says British Caledonian's cut price fares would have taken business away from

KLM and British Airways. If the company agreed to comply with the Saturday condition it would presumably be given permission to operate the route.

The Dutch Ministry added that it had not yet received an application from Air UK, to fly between Stansted and Amsterdam. The British authorities have already given their approval and the Dutch authorities see no obstacles since there are no rival airlines operating this route.

Other European Governments have still to decide on British Caledonian's plans for a network of 25 cut price air routes.

The British Government has approved nine cut price routes so far, but Continental Governments have been reluctant to approve them, despite EEC pressure.

Air UK plans to introduce a regular service between Stansted and Paris to cater for the business traveller.

## Shipbuilders seek further aid as losses continue

BY WILLIAM HALL

THE GOVERNMENT is under considerable pressure to relax British Shipbuilders' tight financial limits. Although the nationalised shipbuilders is only a quarter through its current financial year, senior executives do not believe the company can meet the Government's target for 1980-81.

On July 30 British Shipbuilders will announce a loss of around £100m for 1979-80. Although this is in line with the limit set by the Government last July, the loss limit for the current financial year has been effectively reduced to £35m.

Since the limit was published last summer British Shipbuilders have had to weather heavy production losses because of the steel strike while many private public sector orders have failed to materialise.

In addition, the company has become less competitive against Japan, its main rival, because sterling has strengthened against the Japanese Yen by around 5 per cent, while UK inflation has been running at 20 per cent, considerably higher than rates of price increase in most other shipbuilding countries.

## Minister predicts 'very tough year' for industry

FINANCIAL TIMES REPORTER

MR. DAVID MITCHELL, the Minister responsible for small business, yesterday warned that British industry was in for "a very tough year" but could expect help later this year from a lower inflation rate, falling interest rates, and a consequently weaker pound.

Speaking in Birmingham after meetings with the regional Confederation of British Industry and Midlands industrialists, he said wage claims had to relate directly to the ability of companies to pay them.

"There is an obligation on employers to communicate to the shop floor precisely what situation the company is in, and that if wage claims are too high, they may lead to the dole queue," he said.

## Lucas to postpone 3,000 Midlands redundancies

BY LORNE BARLING

LUCAS ELECTRICAL has agreed to postpone 3,000 redundancies in the Midlands area, in response to approaches from unions involved. This reprieve is more on the understanding that more job flexibility is achieved.

The company issued 90-day redundancy notices early last month with the intention of achieving the cuts by early September.

It has now agreed not to make compulsory redundancies before that date.

About 1,000 hourly paid jobs have already been lost through voluntary redundancies and natural wastage.

It is hoped that by the end of August more workers can be redeployed within the group. There are also due to be held on how some 1,000 white collar jobs can be eliminated.

Proposals for the redeployment of workers were put to union officials this week and will be discussed with shop stewards after the two-week summer closure, which begins today.

Mr. Bill Goulding, Transport and General Workers' Union district official responsible for Lucas, said a joint management/union working party had been set up to examine opportunities for saving jobs.



Sir Peter Gadsden, Lord Mayor of London, visited the Financial Times yesterday to present the company with the Queens Award for Export Achievement. He is shown (left) making the presentation to Mr. Alan Hare, chairman and chief executive. It is the third time the Financial Times has received this award.

## Aerospace losses reduced

By Our Belfast Correspondent

SHORT BROTHERS, the Government-owned Belfast aerospace company, reduced its net loss to £8.3m in the year to August 31, 1979, from £9.75m the previous year.

Turnover rose from £44.4m to £67m, reflecting increased sales of the company's aircraft and missiles as well as the success of its aircraft components division.

## Commons

The company itself has not yet disclosed its results. They were given briefly in the Commons yesterday by Mr. Hugh Rossi, Minister of State for Northern Ireland.

Short Brothers is wholly owned by the Northern Ireland Department of Commerce, which is still concerned at the level of losses being incurred.

The company has spent heavily on development, particularly of its 30-seat commuter aircraft, the 330, and its launching a 36-seat successor which will have its first flight in September 1981.

Mr. Rossi referred to a provision of £2.3m for the Government's continued support for the company under an approved corporate plan for the five years to 1982.

He said decisions on future strategy for the company, to cover the period to August 1984, could be expected soon.

Revealing its 1979 performance, he said the company was making progress and was well placed to improve with a range of quality products, a record order book and solid Government backing.

## Bank closes

What is probably Northern Ireland's most-robbed bank has closed, driven out of business by a series of raids by terrorist groups.

The Bank of Ireland branch in Shallowtown, Derry, has been robbed 11 times since the troubles began.

"The raids have been marked by a growing use of violence," a bank spokesman said yesterday.

"If that sort of thing continues, we could well have somebody seriously hurt. Naturally we are concerned about the money, but our main reason for worrying is customer and staff safety."

## N. Ireland spending to increase

By John Hunt, Parliamentary Correspondent

THE GOVERNMENT'S review into this year's allocation of funds to Northern Ireland is likely to result in a £100m rise in expenditure on industrial development and other economic programmes in the province.

There will not, however, be any increase in the total budget of £2bn. The money will be found by a reallocation of funds among existing programmes, with the result that some non-industrial projects will suffer.

Mr. Hugh Rossi, Minister of State for Northern Ireland, told the Commons yesterday that the Government wished to increase the £78m already set aside for industrial development in Ulster.

It was necessary to create employment, particularly in manufacturing, and take advantage of the increased investment interest being shown in Northern Ireland.

During the first five months of 1980 there was a 29 per cent increase in first time visits to Northern Ireland by potential investors, he said.

Mr. Rossi was asking the Commons to approve an appropriation of £120m for Northern Ireland on top of the £70m already appropriated for the current year. He said the reallocation of funds would involve about 5 per cent of the total £2bn budget.

Earlier this month Mr. Humphrey Atkins, Northern Ireland Secretary, announced that the Government had imposed a freeze on public expenditure in the province until the funds are reallocated between the various programmes.

Because of this, Mr. Rossi explained that the appropriation order in the Commons yesterday was only temporary. Further supplementary estimates would have to be brought forward once the spending review is completed.

This brought vehement protests from Ulster Unionist South Down MP Mr. Enoch Powell who declared a "monstrous" Northern

tariff, holder will position their res-

82

## LABOUR NEWS

## Moves to rescue the Proms

By Our Labour Staff

MR. JOHN MORTON, general secretary of the Musicians' Union, formally notified Lord Goodman yesterday that the union would be prepared to enter negotiations to try to save the Proms if the BBC withdraws from its production and the recordings of the concerts are used only after agreement.

The BBC later discussed with Lord Goodman proposals for such negotiations. Sir Ian Trethowan, BBC director-general, said that further meetings were likely in the next few days.

The discussions with Lord Goodman followed visits by union officials and the BBC to the Advisory, Conciliation and Arbitration Service offices. The two sides did not meet at ACAS. The prospect of getting the Proms back on the air at some time still rests with Lord Goodman and proposals put forward by the education, science and arts select committee.

The suggested format for talks involves a tripartite meeting between the union, the BBC and the Arts Council. There still appears to be considerable differences in the position of the union and the BBC, however.

## NHS staff limited to 14% rise

By Our Labour Staff

UNION NEGOTIATORS for 37,000 supplementary medical workers in the National Health Service have been told that their members' pay rise this year will not be allowed to exceed the Government's 14 per cent cash limit for health service pay.

The negotiators said yesterday that a letter from Dr. Gerard Vaughan, Health Minister, had given the same message to the medical workers as had been given to the nurses. This was "not a penny more."

The unions, who represent a wide-range of professional staff in the health service — including physiotherapists, occupational therapists, dieticians and radiographers — say they will consult their members on a package offer from management.

Representatives of radiographers — one of the largest groups — said a claim of more than 50 per cent had been put forward because of a fall-back in pay over several years.

The radiographers were dissatisfied with the results of a Clegg Commission pay comparability award.

## Pauline Clark reports on the latest move in the laggards' dispute

## Isle of Grain pickets arrested

FIVE PICKETS at the Isle of Grain power station site in Kent were arrested yesterday in the first outbreak of trouble there since May's mass picket.

The arrests followed scuffles as an early morning busload of workers was being driven on to the site. The bus was said to have been boarded by pickets, and damage included a broken windscreen.

The pickets — supporters of the General and Municipal Workers Union, which is at the centre of an inter-union row over a laggards' dispute — will appear at Medway Magistrates Court on August 13 charged with public order offences.

Two of them have also been charged with causing minor criminal damage. Rochester police said all would be released on bail.

With the exception of one arrest on the daily seven-strong picket line this month, this was the first police action on the site since the GMWU's mass picket on May 27, when police made 37 arrests.

Any incidents of this kind can only strain further the already tense relations between the big trade unions involved in the dispute.

The GMWU pickets are angry that trainee laggards belonging to other unions have been employed on the site after the failure to solve a long bonus payments dispute affecting its own laggards.

The TUC yesterday received replies from all the unions involved in proposals for ending the dispute put forward by a sub-committee of its finance and general purposes committee.

Leaders of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades' Union have already

said they would reject the sub-committee's recommendation that the 60 trainee laggards should be withdrawn from the site and the 27 GMWU laggards — dismissed last year — be reinstated. They have called instead for a meeting of the unions' general secretaries.

The GMWU is backed by the Transport and General Workers' Union in supporting the recommendation.

The TUC finance and general purposes committee will meet on Monday, and is expected to discuss the replies to its proposals.

## Walk-out at the Commons

HANSARD REPORTERS in the House of Commons, who compile the verbatim record of proceedings, took their first ever industrial action yesterday when they walked out of the chamber at 3 pm.

The proceedings of the House normally finish at that time on Friday, but yesterday MPs were sitting an extra 1½ hours.

The Hansard staff wanted overtime payments in line with those they receive for late night sittings.

## Call to restrict textile imports

BY PHILIP BASSETT, LABOUR STAFF

THE TRANSPORT and General Workers' Union yesterday called on the Government to take unilateral action against growing textile imports if the EEC remained "incapable" of defending the UK textile industry.

The union, in a document on the textile industry entitled "The Fight for Survival," said that in recent years textile and clothing workers have seen their industries collapse around them.

The TGWU, which claims to be the largest single union in the industry, will stage a demonstration of textile workers in Wrexham today, which will be addressed by TGWU officials, MPs and representatives from the industry.

Mr. Moss Evans, TGWU general secretary, said it had become clear a big effort was needed to defend the industries and fight for the jobs that remained.

The union says more than 21,000 textile workers have been made redundant in 18 months, and the total number of jobs in textiles and clothing has fallen from 1.3m in 1960 to under 800,000 this year.

In addition, the union says many workers in the industries are working short-time.

The TGWU claims the "growing flood" of imported textiles and clothing the biggest problem facing the industry.

## Salesmen seek union merger

By Raymond Hughes, Law Courts Correspondent

A THOUSAND P telecommunications salesmen have been left in a collective huddle because the Post Office refused to recognise the Court of Appeal's decision.

The salesmen, the Telephonic Officers Association, voted to merge with the Scientific, Managerial and

But AST Post Office refused salesmen said Mr. He w.

appeal Court's order I recog Mr. under tract nom gav exp cio.

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## THE WEEK IN THE MARKETS

## Midland's U.S. adventure begins

Midland Bank shareholders may be somewhat breathless after a week in which the management announced plans to spend almost \$1bn buying banks in the U.S. and West Germany. But Midland's American adventure has only just begun.

The attempt to buy a 57 per cent share of Crocker National Bank in California is unexpectedly ambitious, even coming from a big bank which has been very visibly winding itself up for a major acquisition in the U.S. Midland's previous, abortive, move to buy the Heller financial services company involved an outlay of \$520m. This represented roughly what Midland could absorb in one swallow. Crocker is over twice as big a purchase—so Midland will content itself buying an initial 57 per cent for \$820m, and will take three years over it.

Crocker is roughly one quarter the size of Midland. It had \$12.5bn of deposits at the end of 1979 compared with Midland's \$40bn. Its net earnings last year were \$117m compared with Midland's net profits of \$353m. A substantial part of the consideration is a capital injection rather than a payment to existing shareholders.

Because the deal is taking place in three stages—the last of which will stretch out over three years—it is difficult to evaluate the terms. The consensus among analysts is that the proposed deal will not reduce Midland's earnings per

share, will not require any capital raising by Midland in the near term, and must be regarded as a cheap way into U.S. banking when compared with the premium prices paid in recent years by other British banks.

Midland is hoping to pay only book value for the first 42 per cent of Crocker—the shares which it hopes to buy from existing Crocker shareholders for a total of about \$325m. This is the launching pad on which the rest of the capital infusion depends. Yet when one recalls that NatWest paid a premium over book value of some 70 per cent for its total takeover of the National Bank of North America, or that NatWest paid a p/e of 23 for that bank while Midland hopes to pay a multiple of 7 for existing Crocker shares, it seems possible that Crocker's shareholders will need some convincing that Midland's term should be accepted.

The peculiar structure of this deal—part purchase of old shares, part capital injection for new ones—seems conceived with as much of an eye on politicians as on Crocker shareholders. There is a chance that Midland's attempt to buy the 14th largest bank in the U.S. may provoke a political reaction against foreign bank take-overs in the U.S. Capital injection—new British money which will allow Crocker to expand as a bank—is the antidote to this reaction. The Crocker chairman, Mr. Tom

LONDON  
ONLOOKER

Wilcox, has drawn attention firmly to the "nearly half billion dollars of additional equity capital."

The immediate future of the Midland share price depends upon the success of this tactic. On one hand there is the prospect of a thoroughly good deal—on the other, the possibility of a second Midland slip-up in its attempt to develop at one bound into a major international bank.

## Xerox rumbles

Only 5 months ago Mr. Harry Smith, chairman of the Rank Organisation, talked enthusiastically about "a strongly rising trend in group profits and also a marked improvement in the percentage of profits earned to capital employed." But, at least in the short run, the truth has turned out to be rather different, and there was a nasty setback in the share price on Monday when Rank unveiled a first half setback in pre-tax profits from £64.4m to £53.5m. It looks as though the full year will show a decline from £131m to around £120m, implying nil growth over the past three years even though there has been a substantial injection of new resources in the shape

of the £60m-plus rights issue early in 1979.

Part of the explanation is that Rank has been faced with an uncustomed reversal at its big trade investment Rank Xerox, where profits are down some 17 per cent after 23 weeks. Currency movements have hit RX, and there are also underlying difficulties over competition and the need to launch expensive new products.

At the same time many of Rank's own trading operations have found the going tough, in many cases because of the strength of sterling. This has hit hotels and the colour TV manufacturing business, for instance. Bookings at Butlin's, an important contributor in the second half, are said to be "at a satisfactory level." But the City is still waiting in vain for any sign of a fundamental improvement in Rank's fortunes.

## Courtauld's warning

This week Mr. Christopher Hogg, the new chairman of Courtauld's, spoke frankly about the textile company's grim prospects in the current year. He told shareholders at the annual meeting that the recession was biting hard and pre-tax profits so far this year were "very substantially down." City analysts decided this could mean a drop in interim profits of between one half and two thirds, from last year's £30.2m to not much more than £10m this time.

These news of hard times at Courtauld's set a lot of people thinking about the future of dividends. The last time the company cut a dividend was nearly 20 years ago: the action was quickly followed by an abortive bid from ICI.

While nobody was contemplating any such dangers, a growing number of observers began to speculate about whether the Courtauld's Board will pay any interim. Last year's gross total of 12.5p yields 17.7 per cent at yesterday's 69p, but the historic cover came to just 1.4 times. On a current cost basis the £23.4m net expense was absolutely uncovered. The chairman has said the dividend will be related to Courtauld's profits and this might make it hard to justify an interim payout. But even if the interim is passed, the final is repeated, the yield won't sink below 11 per cent, the sector average for the troubled textile business.

## Receivership

The decision at the beginning of this week by the board of Fodens to call in a receiver may

be regarded as something more than an unfortunate addition to the list of industrial casualties.

Most obviously, it held an important position in the UK heavy truck market as one of only two independent manufacturers in this country—its near neighbour in Sandbach, ERF, is the other. But the circumstances in which it finally caved in possibly teaches one or two financial and industrial lessons.

Fodens was rescued by a clutch of City institutions five years ago when its liquidity problems bore a remarkable resemblance to last week's position. Led by National Westminster Bank, the City provided funding of £3m in the form of 10 per cent convertible preference shares.

Profits have been on a switch-back ever since. Fodens itself has admitted that the difference between success and failure was only "5 per cent" but events in the past 12 months or so have conspired to ensure that the group was clearly on the debit side of the margin of error.

The engineering strike at the end of last summer, the sharp rise in borrowing costs, industrial over-capacity and the recent marked fall in demand forced Fodens to announce reductions last month of a quarter of its workforce. It was not enough.

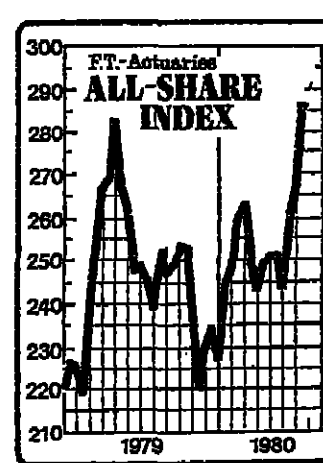
The receivers have apparently had a number of enquiries for Fodens and are anxious that the group be taken over as a going concern. T. J. Richardson, a private commercial vehicle distributor and property group, is understood to be preparing a formal offer. Whoever does succeed with an acceptable bid will need to remember that operational gearing is very high and the business is very capital intensive. The sector, moreover, is increasingly dominated by large international competitors.

Perhaps the City's "White Knights" forgot this, certainly there is no evidence to suggest that their investment had been actively monitored, even when the cash and financial position was so clearly deteriorating. Fodens lost £1.7m in the six months to October last year and its debt a half year earlier had reached £12m. The shares were suspended at 23p last Monday when the market capitalisation was £4.75m.

## A brief revival

There had been a case for believing that Birmidaleast was capable of some useful recovery this year. Interim profits, announced during the week, of £4.8m against £1.94m seemed to confirm that view.

Reorganisation costs appeared to be over, capital spending was



falling fast after a three year programme costing £21m and debt in the last balance sheet represented just 18.5 per cent of shareholders' funds.

But before the optimists could begin to congratulate themselves, the foundries, lawn mowers and Potterton boilers group announced two major closures and a widespread, precipitate fall in demand from April onwards.

To an extent the closures have been forced by extraordinary circumstances. Management has taken a hard line over a prolonged dispute by the 700 manual employees at the Birmingham plant, which has now ceased trading. It lost some £300,000 last year and although the group had been willing to take an optimistic view of the mid-term prospects, its deficit so far this year has already surpassed this sum and the final loss is expected to be very heavy indeed.

The number two foundry at Dartmouth Auto Castings has also been closed, ostensibly because the price for new anti-pollution requirements was too high. But the foundry was only operating at about 30 per cent of capacity which, with such step operational gearing, could only mean hefty losses. There is no sign of a recovery in the automotive and tractor industries and all subsidiaries which supply these sectors are now in loss. Worse, it is not yet possible to quantify the exceptional and extraordinary costs of the latest closures.

With a £5.1m trading profit last year, foundries contributed the lion's share of the £8.2m total. Potterton trebled its contribution to £1.5m that year and is said to have performed well subsequently. It is difficult to be immediately certain of the effects of recession on such seasonal businesses as gas boilers and lawn mowers but the core of the group is already badly down and an historic yield of almost 18 per cent reflects the market's deep worries.

## 'On to 1,000' cry

NEW YORK  
DAVID LASCELLES

SOME PEOPLE called it the "Reagan Rally." Others said it was hopes of an economic recovery. Whatever the reason, Wall Street had a tremendous week.

Stocks burst through that tough 900 barrier on the Dow Jones industrial average, and held their gains for the first time in three years. "On to 1,000" is now the battle cry.

Though the Dow itself still has some way to go before it breaks its record 1,051.70 (set more than seven years ago in early 1973). Several other measures of market performance hit new peaks. The Standard and Poor's 500 (which is what institutions measure their portfolio performance against), the New York Stock Exchange composite index, and the American Stock Exchange index, to name but a few.

Most of the news came from the Republican convention in Detroit. But though big business roots for the Republican Party, and Mr. Reagan has promised big tax cuts and a reduction in the regulatory burden on U.S. corporations, his triumph probably has less real impact on share prices than some analysts claimed.

For a start, there was not a scrap of uncertainty about the outcome of the convention, so anyone who was playing the market in the hopes of a surprise was wasting his time. But at a deeper level, Wall Street is not entirely happy about the Reagan economic platform.

For one thing, he has promised to slash taxes and boost defence spending without saying how he proposes to bridge the resulting budget gap. Now that he has ditched Gerald Ford, he has presumably lost the services of those experienced Government men who might have come along with the former president.

In fact, this week's rally probably had far more to do with the U.S. economic prospects, and the technical aspects of the 900 breakthrough.

Signs are multiplying that the recession has hit bottom. Housing sales and starts, which were the first to plummet when the recession started, have pulled back strongly in the last four weeks by 30 per cent or more. Retail sales have also picked up a bit, so have cars. All these indicators are still well down on last year, of course, and a sustained rally would probably have to be accompanied by a healthy boost in disposable incomes. But with the market in a basically bullish mood, the news was good.

Yesterday's announcement that GNP fell at an annual rate

of over 9 per cent in the latest quarter was treated as stale history.

Technically, the market has also tapped new roots of confidence now that 900 has proved vulnerable. A lot of investors who had gone short on the expectation that shares would fall back yet again were forced to correct their positions, and this added to buying strength.

The advance came despite some disappointing quarterly results from industry. Chemicals, manufacturing, metals were all weak, rather as expected. The banks generally benefited from the recent high interest rate environment, and high technology industries also did quite well.

Results from the big corporate stores of the week centred on Midland Bank's \$320m bid for a 57 per cent slice of Crocker National Bank of San Francisco, and renewed speculation and debate about the foreign banking invasion. Midland's offer is for book value, which could be \$47 a share, but Crocker shares moved up to only \$37 reflecting the fact that Midland is not buying all the outstanding, plus the tinge of uncertainty that hangs over the deal because of possible regulatory problems.

In fact news of the deal had clearly leaked out because Crocker shares edged up about \$10 in the preceding days, and the New York Stock Exchange is investigating.

The Kuwait Investment Organisation intrigued the market by wading in with a \$82 per share offer for the 15 per cent stake in Getty Oil held by the estate of the late J. Paul Getty.

Had it gone through, the deal would have been worth close on \$1bn, and marked the first move of its kind by an OPEC country.

But yesterday, the estate's executors said they had turned it down, not it appeared for political reasons, but because it was not in the estate's best financial interests.

Getty shares have recently traded at around \$80, so the Kuwait bid was basically at market. Besides, Getty Oil itself was unhappy about the bid and had said so in public.

MONDAY 905.55 +14.42  
TUESDAY 904.44 +2.90  
WEDNESDAY 901.54 +4.01  
THURSDAY 915.10 +10.66

## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1980	1980	
	Yday	on Week	High	Low	
F.T. Ind. Ord. Index	497.3	+ 4.3	503.1	406.9	Poor industrial rpts. resisted
F.T. Govt. Secs. Index	71.91	+ 1.18	71.98	63.85	Continued good demand
Bio-Kil Chemicals	142	+42	145	82	Bid from Laporte
Central Mfg. and Trading	33	- 9	62	33	Board's div. & profits warning
Cons. Murchison	290	-40	502	290	Falling demand for antimony
Courtaulds	69	-16	87	64	Chairman's bearish statement
County and District	210	+62	225	96	Bid approach
Dowty	259	+37	259	148	Persistent buying
Esperance Minerals	325	+85	345	100	Nagorn oil-shale find
Farnell Elec.	370	+46	370	218	Good electrical sector
GEC	488	+44	490	326	Investment demand
Greenvale Mining	288	+88	305	60	Nagorn oil-shale find
ICI	376	- 8	402	348	Recession worries
Pennine Commercial	14	+ 74	14	4	Speculative buying
Pritchard Services	704	+10	724	321	Bid hopes
Shell Transport	432	+22	432	314	Investment buying
South Crofty	33	+ 8	44	22	Rumours of bid for St. Piran
Strata Oil	164	+38	164	22	Awaiting news from Woodcote 2
Union Discount	505	+45	505	345	Engouraging int. statement
Westland	125	+27	125	55	Favourable Press mention

## A spilled tin of paint

BY OUR LEGAL STAFF

FINANCE AND  
THE FAMILY

Whilst purchasing some paint in a shop recently, my 15 month old son knocked over a tin of paint which had been stacked in the middle of the shop. The lid came off and the paint was split all over the floor. The assistants

mental incapacity." This seems in direct contradiction of the statement on June 24, 1978, under the same heading, which quoted from Section 5 of the 1971 Act.

Will you kindly elaborate and/or refer me to a detailed guide to this seemingly involved subject?

It is necessary to distinguish the position of a third party, who is protected by Section 5 of the Powers of Attorney Act 1971 in the absence of knowledge of the revocation, and the donee who is not so protected, except on an irrevocable power given for security. You could consult any standard work on contract or agency, but of course only an edition later than 1971.

No water  
charge liability

I was interested in the reply you gave on June 7 to a query concerning water.

Authority charges. Like your correspondent, mine is private property, with its own water supply but in addition we have our own septic tank.

Nevertheless, the South Western Water Authority levy an environmental charge based on the rateable value. Do you think that I am liable for a charge?

What if the water rate is charged on your property? Presumably no in respect of your property, but the combined water rate benefits your property should therefore be by the water

the legislation (which is derived from section 58(4) of the Finance Act 1971).

Ground rent to  
one's self

I recently bought the freehold of a block of nine flats, plus the long lease on flat 5 which I occupy with my family. All the occupiers of the other eight flats have also purchased theirs under a long lease. They are paying me a ground rent.

My query is: Should I have also to pay ground rent? It seems absurd to pay ground rent to myself and claim it back from the managing agents.

We cannot see that it would be appropriate for you to pay ground rent unless the management is vested in a company which has a lease in reversion on the occupying leases. As the other rents are paid direct to you this seems not to be the case.

A television  
licence

In your reply under "A television licence" (June 14), you mentioned that such a licence is personal to the licensee.

I own a house which I let out for self-catering holiday accommodation, the terms of the contract permitting use of the television set installed

for which I have a licence. Your reply implies that my tenants are not licensed to use the set as they are not members of my family. Would you tell me what further steps I have to take to permit my tenants to enjoy the benefits of the television set, the cost of providing which is included in the rental?

If you hold a separate licence for the house which you let, that will be sufficient.

Right of way  
by prescription

You say (June 21) that a right of way can be acquired by prescription, i.e. by continuing use for over 20 years.

Does the 20 years attach to a property or an individual, or has the 20 years all got to be the same person?

Does closing a gate once a year prevent the establishment of a right of way?

The use must continue for 20 years, and it may be exercised by any number of people so long as they are using the way of the part to accommodate (i.e. improve the amenity of) the land in respect of which the right of way will in due course be claimed. Closing a gate on occasion will normally prevent the acquisition of a right of way if the closure impedes use by the prescriber person or persons. Thus prescription for a way to commercial premises may not be prevented by closure of a gate on a Sunday.

## Charge for roof repairs

In 1975 I bought a leasehold flat. In 1976-77 the ground landlord made roof repairs which cost £5,420. He wishes to charge me 1/12th of this in accordance with the lease.

Section 124 of the Housing Act 1974 inserts the following after Section 91 of the Housing Finance Act 1972:

"... if any work in respect of which a service charge is claimed is estimated to cost more than £2,000, there shall be a duty upon the landlord or agent first to discuss it with the tenants' association, or, if no such body exists or is not wholly independent, then with individual tenants before it is proceeded with (except in cases of emergency) and only after such consultation shall estimates be obtained in accordance with the provisions of this section."

The roof repair was not an emergency, but the landlord

and agent did not discuss it with the residents. I have been unable to trace any legal precedents on this addition to the Housing Finance Act. Is there a case for refusing to pay the roof repair demand?

You are entitled to require the landlord to show that he has complied with the provisions of the Section 91A of the Housing Finance Act 1972 to which you refer, and to refuse the payment of the part of your service charge relating to the roof repairs until the matter is resolved. However, no express sanction is provided for failure to comply with the statutory provision, and it seems that all you can do is to maintain that the cost of repairs is not reasonable and seek to persuade the court that a lesser sum should have been expended i.e. to reduce, rather than eliminate the charge.

## A jumbo gold mine on the runway

GOLD HAS long won its battle for international recognition as a store of value, as dependable as anything is these days. Even in the U.S. there is little further talk of demonetisation, especially now that the monetary role of the metal has achieved greater acceptance among central bankers who therefore have an interest in seeing the price remain firm.

How much further the price will rise is, of course, anybody's guess but recently Mr. David Potts who produced the authoritative annual review, "Gold 1980" took the view that eventually the price would go above \$1,000 per ounce. At all events, Mr. Harry Oppenheimer has underlined the Anglo American Corporation's faith in the future of the metal.

In his annual statement this week Mr. Oppenheimer has outlined the South African group's new gold prospects which will require capital expenditure of some R1.5bn (£990m) spread over the next seven to ten years.

This does not mean that there will be a major increase in South African gold production. In fact, Mr. Oppenheimer thinks it will remain fairly constant at about 700 tonnes a year for the foreseeable future.

The reason is that the new production will only make up for the exhaustion of some existing mines and the general trend towards extracting the low gold content ore that was previously uneconomic to mine.

## The new mine

A good example of higher gold prices making it profitable to work low grade deposits has come with the news that it is intended to open up Erfdeedel-Dankbarheid area in the Orange Free State. It is estimated to contain some 62m tonnes of ore with a gold recovery grade of a very modest 4.5 grammes per tonne.

The idea is that the new area will be incorporated with the existing lease areas of Western Holdings, Welkom and Free State Saaiplaas into a kind of "super" mining complex with an ore capacity greater than that of Vaal Reefs which at present is the world's biggest gold mine.

As the map shows the four mining lease areas are not all in one block: that of Western Holdings adjoins Welkom while, to the east, the nearby Erfdeedel area adjoins Saaiplaas. But there will still be economic advantages in sharing plant and other facilities.

Above all, the proposed financial grouping under

Western Holdings as an enlarged company will mean important tax advantages which will greatly reduce the capital calls on the participants in the venture. In essence, South Africa allows mining companies to offset their capital expenditure against tax and Western Holdings is a high tax payer.

The new Erfdeedel area is owned as to 40 per cent by Lonrho's Duiker Exploration and 60 per cent by the Anglo group. A new company to be formed will have an 85 per cent stake in the financing and in the profits of the new Erfdeedel area.

## MINING

KENNETH MARSTON

The other 15 per cent will be held by Western Holdings.

In turn, the new company will be held as to Anglo American 44.5 per cent, Anglo American Gold Investment 9.5 per cent, Duiker 36 per cent and Western Holdings 10 per cent. Just how much capital the new company will have to provide is not known, but it could be of the order of R200m.

The new area will be worked as part of an extended Saaiplaas. But Western Holdings will acquire the enlarged Saaiplaas and also the assets of Welkom. This will be done by giving 3.18m shares of Western Holdings to Welkom and 3.65m Western Holdings to Saaiplaas.

What the complicated series of deals amount to is that present shareholders in Saaiplaas, the Welkom will become shareholders in the enlarged Western Holdings.

It looks as though Welkom will remain as a listed company, having as its main asset shares in Western Holdings. Saaiplaas will presumably disappear and its public shareholders will receive Welkom shares in exchange on the basis of 50 for every 100.

The various shareholders affected will have to wait for about four to six weeks before the full details of the scheme are announced. But they should emerge with a longer life gold investment than they had before and, it is hoped, a more profitable one. The pity is that they have to be kept in suspense for so long before they are told in specific, simple, terms exactly what they are getting.

three months in line with an average gold price received of around \$350 compared with about \$335 in the March quarter coupled with lower gold production resulting from the mining of less rich ore.

However, earnings are still well up on those of the December quarter of last year and indications of the industry's continuing high prosperity have come with some good interim dividends.

Helped by a high interim of 170 cents (93.6p) from Southvaal—the latter is now paying two dividends a year instead of only a single payment which was of 140 cents for 1979—Vaal Reefs has lifted its past quarter profits.

In turn, Vaal Reefs has beaten all expectations with a 1980 interim of 620 cents which compares with the total for 1979 of 510 cents. Western Deep has also exceeded its 1979 last year's total with an interim of 400 cents: last year's interim was only 95 cents and was followed by a final of 225 cents.

## Put briefly

● The South African antimony-producing Consolidated Murchison has had a better June quarter but has warned that sales will be "severely" affected in the current three months because of "a sudden and significant decrease in demand for antimony oxide from traditional customers."

● Zambia's Nechanga Consolidated Copper Mines has returned to the dividend list for the first time since 1974 with the payment of \$9.3m (£5.1m) for the year to last March. The

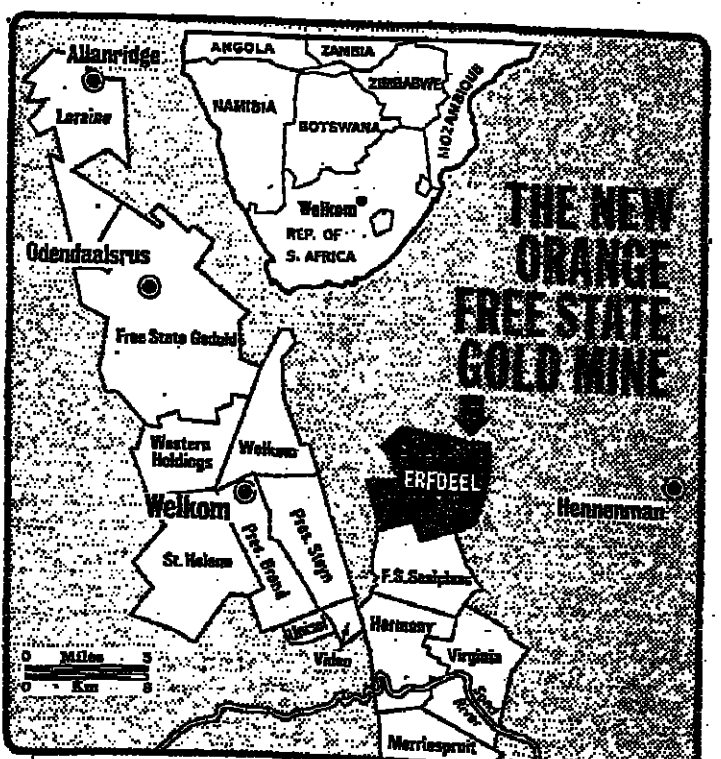
company is 51 per cent owned by the Zambian Government and 49 per cent by Zambia Copper Investments. Earnings have been boosted by higher copper prices and good income from cobalt, but Nechanga warns that tax offsets from previous years have now been absorbed.

● While other transatlantic natural resource giants such as Inco, Noranda and Phelps Dodge are now experiencing a sharp turnaround in earnings, Amax still expects that its total for this year will exceed the 1979 record.

● Demand remains high for its mainstay, the high strength and anti-corrosive molybdenum, while the oil and gas interests continue to do well. Selection Trust has a stake of 7.56 per cent in Amax.

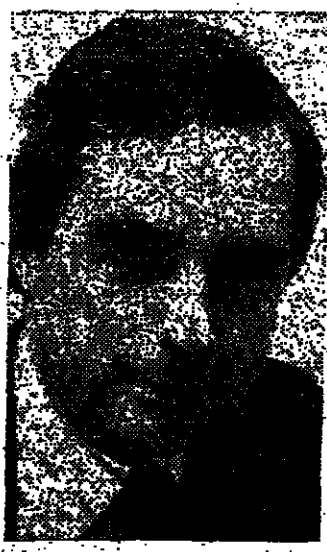
● South West Consolidated Minerals has obtained an encouraging result from a borehole at its Redmond tin prospect in Cornwall which intersected 1.2 per cent tin in two separate one-metre lengths of the core. But much more drilling will be needed to sustain hopes of new ore reserves. The shares thus remain below their recent offer price of 50p.

● Australia's oil and gas exploration market continues to bubble along merrily with this week's news that encouraging intersections of oil shale have been encountered at the Tagoorin prospect in northern Queensland. Companies involved in the latest drilling news are Mining Houses of Australia and the consortium consisting of Greenvale Mining, Esperance Minerals and the important Rundle oil share deposit twins, Central Pacific Minerals and Southern Pacific Petroleum.





## YOUR SAVINGS AND INVESTMENTS



Mr. John Manser

Four expert views on the future of gilts and equities... Tim Dickson reports  
*Where we go from here*

286.58 and the FT 30 Share Index broke through 500 for the first time this year.

Investors shrewd enough to scent the bottom of a market are few and far between and many City professionals would play things differently given another opportunity.

The chances are therefore that while some private investors this weekend will be celebrating their success, others will be wondering mournfully if they have missed the boat. For this reason we approached four investment experts and asked them which way equities and gilts will go from here.

Mr. Michael Prag, a partner in the stockbroking firm of Simon and Coates, expects a further rise of 10 per cent from gilts over the next three months. Lower inflation and what he feels could be quite sharp falls in interest rates will be the main influences.

Equities, he believes, are going through a bull market similar in type if not degree to the buoyant stock market conditions of 1975. "Bull markets happen" because one moment people are afraid and pessimistic, the next they have

suddenly become a bit more hopeful," he says.

Although he concedes that some readjustment may be necessary in the short term, Mr. Prag is very bullish on a 12 to 18 month view, expecting the market to be a good 25 per cent higher at the end of this period. "If I had stock I wouldn't dream of selling it," he concludes.

Mr. John Manser, still in his first year as investment director of Save and Prosper, says that while part of the cream has gone there is still some butter left to be had. "One important factor will be market expectations for the Public Sector Borrowing Requirement and the fly in the ointment here, of course, is local authority rather than government spending. With interest rates and inflation falling, however, I remain confident."

On equities, Mr. Manser says that for some time his group's investment policy has been weighted towards "interest sensitive" stocks such as HP, insurance and property companies. "While these have already done well the party is not over. The second part of the cycle should see money back in

the pockets of consumers and hence confidence return to the now depressed retail and manufacturing sectors."

While not wishing to forecast doom, Mr. Manser feels the main line oil and commodity producers have now been bid up too high.

Mr. David Malcolm, investment manager of the giant Royal Insurance Company, is bullish about gilts but distinctly cautious about equities in the short term. "There is every likelihood of interest rates coming down in the next year or so. But irrespective of this long-term rates must and will come down and will be reflected in the gilt-edged market."

Equities, however, have "probably gone too far in the short run." The market, he says, "will not fall like a stone but will ease back for a time before getting ready near the end of the year for another assault."

On the longer term view, Mr. Malcolm is very bullish but is reluctant to pick sectors. "The most important advice I can give is to go for good management in the next year—badly managed companies in this time may go drastically wrong."

Mr. John Smith, the chartist at Manchester stockbrokers, Charlton Seal Dimmock and Co., is a long-term bull of gilts. Inflation, he points out, has been identified as a major problem, while interest rates will without doubt be lower in 12 months.

According to Mr. Smith, however, the big question is whether sterling can maintain its current position as a hard currency. "I am by no means certain that it will and for this reason you have to consider the number of overseas investors who have bought gilts. In the short term I think the market will go through a consolidation phase."

As for equities, Mr. Smith says that bulls have not all had their own way. Financial shares, property and blue chip industrials have concealed what has sometimes been a less exciting performance in some parts of the industrial sector.

The stock market, he believes, is currently "patchy" and investors will have to be selective. "Growth stocks and a large good quality companies in particular are attracting institutional money—in the latter case because these stocks will survive the recession."

This time, unlike in 1977, it is not worth looking at the laggards, investors will have to be defensive. "While Mr. Smith feels the stock market is overbought at the moment, he is confident that the FT Index will reach 550."

## Rothschild opens a road for the small investor

BRITISH INVESTORS seem hardly to have reacted to the possibilities opened up by the scrapping of exchange controls last year.

This is partly due to inertia, but it also reflects a lack of suitable vehicles for investing in currencies. Now that looks set to change with the launch by N. M. Rothschild of a multi-currency cash investment fund operating out of Guernsey.

The principle on which the fund works is similar to those already existing for sterling alone. The investor buys a share in the fund which invests the proceeds in short term assets. Earnings from these investments accrue to the value of the share which are priced at asset value.

The new fund, called Old Court International Reserves, is not really one fund, but ten separate ones in ten different currencies, namely Belgian francs, Canadian dollars, Deutschmarks, guilders, French francs, lire, Singapore dollars, sterling, Swiss francs and U.S. dollars. It is up to the investor to choose which of these currencies to invest in, but once in the fund he can switch his holding from one currency to another without incurring capital gains tax.

The primary function of this fund is to offer companies new means of hedging against foreign currency exposure, but there is no lower limit for an investor. The shares, which all bear a nominal value of 1 U.S. cent, are priced in multiples of the various currency equivalent to roughly £10. Thus, the initial price of a Swiss franc share is SwFr 40. A U.S. dollar share costs \$20 and a lire share £20,000.

With amounts as low as this, currency investment is opened up even to the smallest of investors especially since Rothschild agrees to provide the foreign exchange needed to buy into the fund at interbank rates.

This is obviously much cheaper than going through the clearing banks.

On redemption the fund pays out the value of the share in whichever currency of denomination, or for the UK investors, the equivalent in sterling. This means that a very short term investment in the fund could even be an advantageous way of procuring exchange for continental holidays.



at much better rates than those offered by the high street banks. But such a service was not among the objectives of Rothschild when setting up the fund.

The fund offers individuals with commitments in foreign currency an opportunity to buy exchange at favourable moments and earn interest until it is needed. The managers

expect of slowly declining inflation may well be enough to hold it up on the exchange markets.

For those who decide to venture into currencies there are, some other caveats. The markets are volatile and the fund requires seven days notice for redemption—quite a period in a market where seconds count. In turn this requires a close familiarity with conditions in the countries concerned.

To the uninitiated, investment in Deutschmarks might seem a winner with the currency's record of steady revaluation. But recently sterling has been a much better bet because of high interest rates and relative strength of the balance of payments.

Similarly, the Swiss franc, which up till about 18 months ago was known as the world's strongest currency, has recently experienced a period of weakness coupled with low interest rates that have substantially reduced its attraction as an investment.

Finally, there is a potential tax problem. It is not yet clear whether the Inland Revenue will treat earnings on the shares as a capital gain or income. Eventually it is likely that a court case involving an investor in another established sterling cash fund will decide the issue by providing a precedent for all such funds.

Even if the earnings are treated as income, the investor should, however, be no worse off than if he had placed his funds in a conventional deposit account.

For those who do not wish to take the responsibility of managing their own investments, Rothschild will undertake to manage portfolios in excess of £100,000.

## CURRENCIES

PETER MONTAGNON

calculate that after charges the net yield of the shares should be about one percentage point below best rates available on the Euromarket.

In the case of sterling this means a return of about 15 per cent at present, which is well above the rate paid on a deposit account by the clearing banks. The fund undertakes to invest its assets wherever possible in instruments that do not incur tax.

But the most important aspect of the fund is the opportunity it offers for a smaller investor to "play the currency market." In some respects this is not necessarily the best time to begin. The fund is money-market orientated, and when interest rates are falling it might well pay better to invest in longer term instruments.

At the same time, the question of whether or not to leave sterling for other currencies is difficult.

Sterling is clearly overvalued in terms of purchasing power and should fall sharply, many believe. But a combination of high interest rates relative to those in other countries, North Sea oil revenues and the pros-

## Murray's facelift

IN THESE days of jazzy marketing, investment trusts have, often lost out by being dull and faceless. Such attitudes are beginning to change, at least among some groups and this week Murray Johnstone, which recently tried to brighten up its image via a major rebranding exercise, announced plans to reshape the portfolios of its trusts.

The most dramatic change is that Murray Minor, the smallest Murray Johnstone company, is to become a unit trust. The directors of the group claim they considered unitising the others but decided that investment trusts still have advantages over unit trusts. In the case of Murray Minor these advantages (such as being able to borrow) are not being exploited while the market in the shares is relatively thin.

The other Murray Johnstone trusts, which between them own more than 60 per cent of Murray Minor, will be among those to benefit from the

elimination of the investment trust discount.

The other changes relate solely to the investment policies of the Murray Johnstone trusts. These will continue to hold international portfolios—at present about 60 per cent of each fund is invested outside the UK—but the emphasis will be altered.

Murray Caledonian will, for instance, be looking more for revenue and above average dividend increases in the years ahead. Murray Clydesdale will be concentrating more on net asset value, Murray Glendevon will continue to make use of its gearing, Murray Northern will invest particularly in areas where individuals find it difficult to get a direct stake and Murray Western will continue to balance a net asset growth and a steadily rising income.

As Raymond Johnstone, managing director of Murray Johnstone, stressed this week the new guidelines are flexible and will take some time to implement. The most significant

policy change is that of Murray Caledonian which will have to move out of some of its low yielding overseas stocks into higher yielding UK companies.

Besides the need to give their trusts a more individual identity, Murray Johnstone's plans have been made possible by the removal of exchange controls by trusts' exemption from capital gains tax. In the past, gains tax and the 25 per cent dollar premium surrender rule made major portfolio shifts unacceptably expensive.

The share prices of the six Murray Johnstone trusts have benefited in recent months from a significant narrowing in their discount—from about 33 per cent four or five months ago to about 25 per cent this weekend.

The performance of the trusts, however, has not been happy. The disappearance of the dollar premium caught the group with its pants down and results over the last five years have been no better than average. While this week's changes are a start, Murray Johnstone has a long way to go and plenty to prove.

Tim Dickson

## Much grumbling over Marsh

## SHARES

BARRY RILEY

PIONEERING CAN be exciting but hazardous. When the U.S. insurance broking group Marsh and McLennan acquired the British company C. T. Bowring a few months ago, it was the first foreign bidder to take advantage of the opportunity—opened up by the ending of UK exchange controls last year—to pay in its own shares.

For the first time in memory an American company would acquire many thousands of British shareholders, large and small. Marsh's London merchant bankers and brokers prepared plans to develop an active London market in Marsh shares, both in the U.S.-style units which sell at a heavyweight £27 or so, and in specially repackaged Bearer Depositary Receipts (BDR) worth a tenth as much and specially tailored to UK tastes and requirements.

But the BDR innovation has run into teething problems. The Inland Revenue has refused to give clearance for capital gains tax purposes, so that there is a slight legal risk that a holder of Marsh shares switching into BDRs could suffer a tax liability.

This leaves UK shareholders to cope with the technicalities of owning and dealing in U.S. shares. Large institutional shareholders are used to foreign investment, and have the resources to cope, but it appears that a number of small investors are much less happy.

Investors were asked, when accepting the Marsh bid, whether they wished to elect to put their Marsh shares into a "marking name" acceptable to traders in the London market. The name suggested was Midland Bank (Princes Street) Nominees. But it seems that not all investors understood the significance of this, and now hold shares in their own name which makes it much more awkward to sell them.

Moreover, many small investors own only a few of these high priced shares, which are traded in lots of 100 in New York. It is more difficult to deal in "odd lots" smaller than this. But Marsh's London advisers insist that the London market is geared up to cope with odd lots, although inevitably the costs of dealing in small quantities will be proportionately higher.

In the next few days British shareholders of Marsh are to receive, along with the half-time profits statement, a letter assuring them that action is being taken to ease the problems. Marsh is to appoint Royal Trust



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## When you leave guests behind

IF YOU are planning a sabbatical in the sun, a posting abroad or just a long holiday in the Algarve, you might have considered letting your house. Besides removing a temptation for squatters, the extra income from this source can be a big help in covering the high costs of running a second home.

Letting your house, however, can be as hazardous as it is

profitable. For some tenants, it seems, conscious of what they feel are their rights of possession, just can't resist overstaying their welcome or abusing the hospitality.

DAS Legal Expenses Insurance, a Bristol-based company half owned by Phoenix Assurance and DAS of Munich, has however designed a policy which pays your legal expenses if the row gets sufficiently

heated to end up in court. This type of cover is popular on the Continent but comparatively rare in Britain. The DAS scheme was only introduced in response to a customer's request.

To qualify for the policy you have to be an owner occupier and you have to issue an owner-occupier's notice under section 105 of the 1977 Rent Act before the tenancy begins. If you then take the tenant to court for damaging furniture, not paying rent, or worse still refusing to let you in when you return, DAS will pay your legal expenses up to a maximum of £10,000 per incident.

The case can be handled from abroad in your absence with the expenses covered including solicitors', barristers' and expert witnesses' fees, as well as court costs, if awarded against you.

It is well to remember that the policy does not cover the replacement of any of the damaged items or make up any unpaid rent. It simply provides for the legal costs (win or lose) of defending your rights. The policy premium is £30 with an extra £5 payable if you want the legal expenses of evicting squatters thrown in.

T.D.

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T.D.

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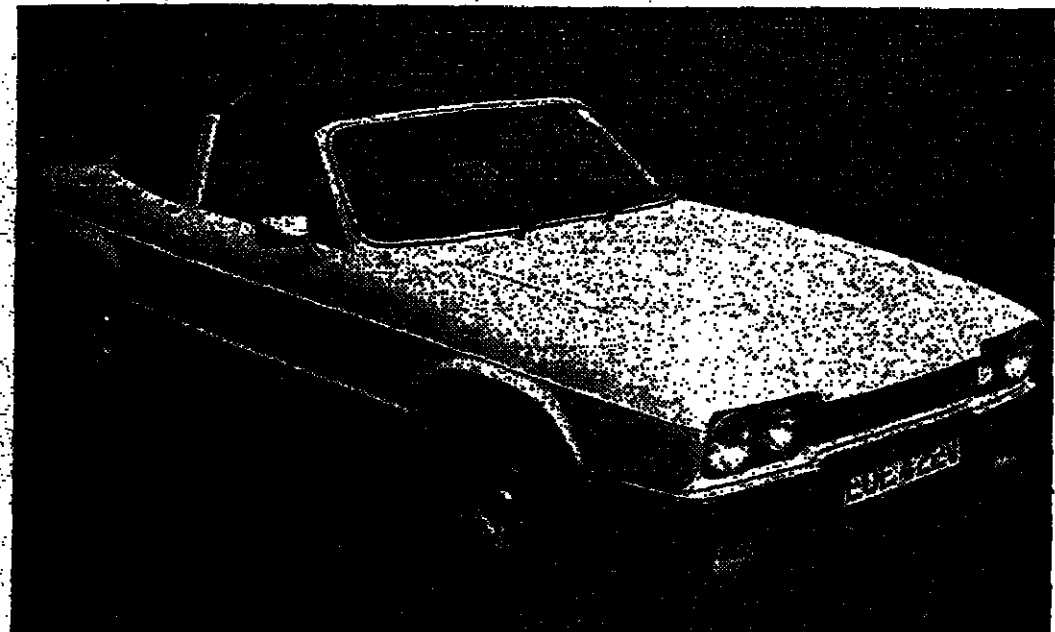
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## MOTORING



RELIANT GTC

## Trouble at the top

BY STUART MARSHALL

ONE DEFINITION of the height of frustration is having a convertible on test in typical 1980 summer weather. The Reliant GTC is my third convertible this year. For the Triumph TR7 and Volkswagen Golf soft tops, the sun blazed down. (The heatwave in mid-May—remember?)

But for the Reliant it has been overcast and miserable when it hasn't actually been pouring. The trouble with convertibles is that although the tops aren't difficult to put up and down single handed, they are not quiet easy enough to make it worthwhile to open up the car in between showers, as one might a saloon with a sunroof.

So, except for an experimental opening to see if there were any snags (there weren't) the Reliant's soft top has stayed up. That way, it has been water-tight and the fabric does not flap at motorway speeds, though there is then enough wind noise from around the door openings to defeat the admirable, optional extra Philips stereo radio.

The GTC is closely based on the 12-year-old GTE sporting semi-estate. The engine is now the German Ford 2.8 litre V6 instead of the former British 3-litre V6, with a choice of four-speed manual plus over-drive or three-speed automatic transmission.

With 135 horsepower at 5,000 rpm, my two-pedal test car has proved pleasantly quick

off the mark, reaching 60 mph in 10 seconds just as the transmission slurs smoothly from intermediate into top. It will go well over 75 mph in intermediate with the selector in D2 range but all that does is waste petrol—and why buy an automatic if you want to shift gears for yourself? Top speed is said to be just over 115 mph.

The GTC is a good car on winding roads because the power assisted rack and pinion steering is responsive and it corners positively, with little roll. Ride comfort is less satisfactory. On anything but smooth roads, the bumps are heard and felt, even though Reliant have stuck to textile belted radials at a time when just about every other car is factory fitted with steel-belted tyres.

The driving position is good; visibility is adequate, though the screen is fairly shallow; and the all-black interior has a kind of sombre elegance. Four fascia vents provide plenty of fresh air when the hood is up. The main windows are (optionally) electrically operated; the small ones in the rear quarter fold down with the hood, which disappears neatly into the body top.

Provided the front seats are not pushed back for a couple of sixfooters, room in the rear is enough to support Reliant's claim that the GTC is a proper four-seater. The body feels rigid—the scuttle doesn't

shake from side to side on rough roads—but my test car (like the odd rattle. The T-bar (like that of the late lamented Stag) is padded but there is a lot of solid-looking naked ironwork in the D2 range but all that does is waste petrol—and why buy an automatic if you want to shift gears for yourself? Top speed is said to be just over 115 mph.

Life has become very hard for small-scale specialist constructors like Reliant. They have to use components from cars that sell for a fraction of the price of their hand-assembled products. The GTC incorporates lots of bits and pieces like door handles and switches that a Marina or Dolomite owner would recognise; the door key even has the Leyland logo stamped on it.

But a four-seat convertible is a rare bird and the GTC is a highly individual car. Its basic cost is £11,380, plus another £874 for the normally fitted options of power steering, tinted glass and alloy wheels. My test car also has a stereo radio/tape player, fog lamps and electric windows and aerial, making the grand total £12,510.

Compared with the smaller-engined but nearly as fast Volkswagen Golf convertible at £8,852, the Reliant looks quite expensive. But, as Reliant remind me, it's a bargain when put alongside that other well-known, hand assembled and volume four-seat convertible, the £8,366 Rolls-Royce Corniche.

## Along Europe's byways

BY SYLVIE NICKELS

THE MOST memorable route between two points is rarely the quickest. Trunk roads tend to take the easy way topographically or, when the terrain gets too rough, burrow through mountain barriers which may represent remarkable engineering achievements but hardly add to a journey's scenic excitement. Some main roads can be expensive to travel on, too. But it is not meanness so much as dislike of heavy, fast traffic that has led us, over many years now, to plan our long distance journeys with reasonably large scale maps and some care.

Since quite a few of my perfectly intelligent friends seem mentally to freeze at the thought of map reading, I hope it is not too obvious to emphasise the wisdom of learning the symbols and how to read the contours. It pays enormous dividends by providing a pretty fair forecast of the kind of countryside through which one's choices lie. Having made the choice, we simply make a list of the relevant road numbers (or, if there is none, a note of other clues) on a postcard and then try not to lose it.

With good maps, you can plan much of your sightseeing en route as well. It was, for example, a brief consultation with Michelin No. 65 that led us, on a return from Switzerland, to follow the very pleasant upper Seine valley from goth-upter Dijon towards Paris. The river's source lies a few kilometres from N71, graced by a grotto and a thoughtful nude lady statue placed there dur-

ing the reign of Napoleon III. On another occasion, Michelin No. 51 took us along a short cut provided by the Vallée de la Course north from Montreuil towards Desvres (and Calais). In the middle of August, we shared this charming valley only with a few horse-drawn caravans, but the French's great motoring assets that, with a population less than ours but over twice the area, so many roads are blessedly sparse in traffic. One late July, we were heading for the Savoy Alps and found a lovely route linking Varennes (on the Allier) with Feurs (on the Loire) and then on to Givors (on the Rhone) over the quite substantial Monts du Lyonnais. Some of the roads were tiny and tortuous, but the rapid changes from high pastures and mountain forests to the Rhone vineyards, accompanied by delightful stone-built villages, were very satisfying. And so was the lack of traffic.

A marathon journey through the Iberian peninsula three years ago confirmed that, away from the coast, the roads are marvellously uncluttered and the switch back to more traditional ways of life swift and complete. Much of our tour was in Portugal. We found a beautiful route entering via Vilar Formosa from Salamanca in Spain, and then working our way south through Guarda, part of the Serra de Estrela, Castelo Branco, Estremoz, Evora and Beja to the Algarve coast. It was spring. Hillsides were stippled with olives and cork oaks, or

misty with fruit blossom. We twined through forests, crossed the great Tejo river at Rodão, wound over the sweeping red earth corn lands of the Alentejo and past meadows that were wondrous mosaics of rampant wild flowers. Nearly every small town had beauty and interest. There was mule and Bullock-drawn traffic, women laundried in rivers, carried things on their heads, sat in doorways making lace. And there wasn't a tourist in sight.

The return from Lisbon via Viana and Vila Real was equally good. It included magnificent glimpses of the precipitous vineyards of the upper Douro Valley and high tawny plateaus as we headed for the border beyond Bragança. We spent that night in Spain in Leon where the head porter of the splendid San Marcos Hotel gave us excellent advice for the morrow's route to the coast. It took us over the Picos de Europa through the upper Esla valley: spectacular gorges, a wild mountain pass high among the gentians, a plunging descent along the Rio Bayones to the coast—and its excruciating main road traffic.

Some maps of course can mislead, especially when roads find their way into print before they have been built. They were actually building the one we tried to follow over part of the Romanians' Carpathians some years ago, and it took us three days and a punctured petrol tank to achieve 80 miles. But even that had its rewards. The scenery was marvellous, the village markets might have been straight out of an opera set, and



a gang of roadworkers repaired the petrol tank with efficiency and enormous gusto. Once on a lonely Bosnian road in Yugoslavia, we arrived on the scene minutes after a lorry had spilled its load of nails. Half an hour and two punctures later, we had run out of spare tyres, but the Yugoslavs rescued us with humour—and no charge. Last year's journey out to the upper Danube proved once more

there are still vast tracts of unspoilt Europe quite near at hand. We concocted a route from Zeebrugge through the Belgian and French Ardennes and the Vosges to Colmar and Freiburg meeting little traffic in beautiful countryside. For much of the time we clung to the River Meuse having long ago learnt that waterways are one of the best signposts to a good route. It did not let us down.

## Oysters, wine and wet days

IT IS extraordinary how other people are so organised when they travel. Most of us, I suspect, return from any journey full of frustrations and regrets: if only we had known more. Guide books abound, but we read them later rather than sooner.

Take the wet first weekend of July. We wrung ourselves out on the quay at Dieppe and thought of food, real travellers' as opposed to mere tourists such as ourselves, would have booked ahead. Sunday lunchtime is the busiest time of the week for any French eating establishment.

Direct dialling from Britain can obviate the problems of finding a table on spec, but we had overlooked such modern intricacies. So we failed to sample

the delights of the Horizon (three forks and a rosette in Michelin) or Armorique, a quayside eatery with a hefty reputation and a scribbled note on the door stating that it was "complet".

Dieppe is one of the best places for a first visit to France, and another (of which more later) is Boulogne. Both are active towns in their own right, and both have restaurant riches.

In Dieppe the wise diner heads for fish. The combination of superb fresh seafood, Normandy cream and butter, and a long tradition of cooking skills combine to produce some really remarkable dishes. Adjacent to the port there are dozens of excellent places to eat.

Arthur Eperon, in his *Traveller's France* (Pan £1.75) recommends the Sully on the Quay Henry IV as one of the best at the good, simple and

cheap end of the trade. Anyone with a deep pocket and a taste for the very best might try L'Univers in the Bd. Verdun.

Our own selection, the Marmite Dieppoise, is in the Rue St. Jean, just off the main Quay. In spite of the rain it was packed with French families. Somehow we got two seats and the food was remarkable and the bill, by British standards, more so—FFr 160 including oysters (a dozen), fish soup, turbot poached in an amazing creamy sauce, sweetbread, vegetables (disappointing), a FFr 23 bottle of wine from Provence and endless coffee. On the day of our visit the exchange rate was FFr 9.50 to the pound.

Eventually we arrived in Boulogne. It too boasts dozens of restaurants, but in Boulogne you have to be much more careful. A great many places look

too eagerly to passing trade rather than long term loyal diners.

Of the three restaurants which had been recommended—La Liegeoise in the Rue Monsigny (a tiny street that takes some finding), the Matelote in the Bde. Ste-Beuve and the Alfred, easily spotted on a prime site in the Place Delton—it was Alfred who won our custom, if only because it was the only one open.

It is the classic long thin, brown and cream, faintly time-worn French family restaurant and lived up to its reputation. Again we plunged into oceans of seafood, including some amazingly meaty langoustines with home-made mayonnaise, tasty stuffed moulles whose sauce was mopped up with crunchy French bread, a really giant slice of salmon, again

poached but this time with a thick vegetable sauce, Bayonne ham, Brie, Muscadet and more coffee.

This time the bill was a little over FFr 230, high enough for us, by now adjusted to French prices to be shocked at our own extravagance. I shudder to think what it would have cost in England.

The best guide I know where to eat in and around Boulogne is one written by Victor Wear. His original edition was written more than a decade ago but has been redone (completely in 1978 and with inset revisions since) for the travel agency Time Off, 2a Chester Close, Chester Street, London SW1X 7BQ. It offers the booklet, which has details of 30 restaurants within 50 kms of Boulogne, for £1.

ARTHUR SANDLES

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## LEGAL NOTICES

No. 00797 of 1980

In the HIGH COURT OF JUSTICE Chancery Division, in the Matter of OTZAR HITAYSHVUTH HAYEHUDIM, JEWISH COLONIAL TRUST LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 7th day of July 1980 presented to His Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the Capital of the above-named Company from £2,000,000 to £1,950,000, £50,000 by returning capital, which is in excess of the wants of the said Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Vinelott at the Royal Courts of Justice, Strand, London, W.C.2A, 21 on Monday the 28th day of July 1980.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charge for the same.

Dated this 19th day of July 1980.

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## COMPANY NOTICES

**CHARTER CONSOLIDATED LIMITED**  
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of members of Charter Consolidated Limited will be held at Winchester House, 105 Old Broad Street, London EC2N 1AB, on Thursday, 7th August, 1980 at 12.05 p.m. for so soon thereafter as the annual general meeting convened for the same day and place shall have been concluded or adjourned for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution—

"That the board of directors of the company be authorised to procure the adoption by the relevant subsidiaries of the company of their respective resolutions in the issued share capital of Selection Trust Limited, on the terms of the offer made by The British Petroleum Company Limited for such holdings, particulars of which are set out in the letter to shareholders dated 18th July, 1980, or on the terms of any other offer more favourable to the company, as the directors shall in their absolute discretion decide, and to determine which of any available alternative considerations to elect to take."

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company.

By order of the board  
D. S. SCOTHY  
18th July, 1980

40 Holborn Viaduct, London EC1P 1AJ.

NOTES:  
1. To be valid the form of proxy must reach the company at PO Box 102, Charter House, Park Street, Ashford, Kent TN25 2AR not less than 48 hours before the time fixed for holding the meeting.  
2. Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at the meeting must comply with the relevant conditions governing share warrants to bearer.  
3. Copies of the letter to shareholders dated 18th July, 1980 may be obtained from the company's Secretariat Office, 40 Holborn Viaduct, London EC1P 1AJ or from the offices of its overseas agents, Credit Lyonnais S.A., 19 boulevard des Capucines, 75002 Paris, and Banque Rothschild, 21 rue Lafrance, 75005 Paris.



## BOOKS

# Christopher and his masters

BY ANTHONY CURTIS

**My Guru And His Disciple**  
by Christopher Isherwood. Eyre Methuen. £8.50, 338 pages

"It seemed to me," Isherwood once wrote, "that I had always done whatever people recommended. You were born: it was like entering a restaurant. The waiter came forward with a lot of suggestions. . . . The waiter had recommended teddy bears, football, cigarettes, motor-bikes, whisky, Bach, poker, the culture of classical Greece. Above all, he had recommended Love: a very strange dish." That was before the Second World War, and refers to the period before Isherwood had left England to become an American citizen in California. The "I" in the quotation is Isherwood seeing himself as the narrator in a novel, *Prater Violet* (1946), but it was a novel based fairly closely, as he later explained, on his own experience writing the script for a film, *Little Friend*, directed by Berthold Viertel, the Austrian-born poet and film director. In the novel, set in London just before the balloons went up, Viertel appears as Bergmann, a manic, clownish, demanding, perceptive tyrant who by the end of the film has become Christopher's father-substitute. ("He was my father. I was his son. And I loved him very much.")

Viertel was Isherwood's penultimate guru before he went and found himself a real guru, the Bengali Abanindranath Ghosh who, when he became a monk of the Ramakrishna Order, took the name of Swami Prabhavananda. He is the subject of the present book. Prabhavananda had been sent to the Order's centre in San Francisco in 1923. He lived in the United States from then on, presiding over the Vedanta

Society of Southern California at Ivar Avenue, Hollywood, where Isherwood was introduced by the Irishman, Gerald Heard.

Interestingly enough, Viertel was by this time himself in Hollywood, making movies and still seeing his one-time script-writer. Isherwood's *Diary of a Writer*, which the present book is composed, interleaved with comments by Isherwood now looking back at the age of 76 to the 37-year-old Christopher, reveals a last attempt of the former guru to win back the errant disciple from the influence of Christopher's new master.

Lunch with Berthold Viertel. Talked about my move to the Center. He disapproves of it with all the jealousy of his fatherly affection. A return to the Quakers he could understand; a retirement into an ivory-tower of novel-writing he could understand. But why am I joining these obsolete Hindus? What possible relevance can their beliefs have to the world of 1943?

The book is in essence an attempt to answer Viertel's questions, which will be echoed by many readers. It possesses the candour, the determination to be perfectly honest with the reader even at the cost of embarrassing him, the closely observed and documented study of one's past self, as if dissecting a character in a novel, that is the hallmark of later Isherwood. It does not completely succeed in answering those questions as Isherwood admits in a disarming final paragraph.

What it does is depict the Swami and his world with the same pointilliste delicacy of touch that its author once brought to pre-war Berlin. The magic camera clicks on the Swami and gives that sharpness

of definition with which Isherwood once shot Chalmers in *Lions and Shadows*, Bernhard Landauer, Mr. Norris, and all the other gurus along the line: only there are many more of photographs of the Swami than of them. Indeed, one has to extend to the book the same kind of indulgence one allows to an old and dear friend who insists on showing one every single page of his holiday album and recollecting the circumstances in which the snaps were taken.

The experience has its own value. It shows Christopher at long last breaking free of the pattern of other people's recommendations. Or does it? By rejecting the obvious item on the menu, which would have been a return to some form of Anglican Christianity and opting instead for an Indian man, wasn't he merely rejecting the recommendations of his old maître d'hôtel, W. B. Auden for those of his new companions in exile Gerald Heard and Aldous Huxley?

That may well be, but in the end Isherwood's commitment to the Swami proved deeper than helets. Heard broke with him, while Isherwood became his favourite son, collaborating with him on translations of the *Bhagavad Gita* and other sacred texts, taking up residence with him in the Center at one time as a preparation for joining the Order himself. It is fascinating and faintly incredible to read of his style of life when he was (literally) at the feet of the Swami and what someone, as jealous of his time as any professional author must inevitably be, was prepared to put up with.

What seems to have stopped him from fully embracing the monastic life and taking *sannyas* (rows) was not any disillusionment with the Swami of whose sainthood Isherwood re-



Swami Prabhavananda—from a drawing by Don Bachardy

mained convinced, however intolerably he might at times behave, but Isherwood's failure to renounce his sexual nature (and his art which he continued to practice the whole time though we hear less of this). The strange dish of Love that the waiter had recommended, the young Isherwood in the novel and for which he had developed such an appetite was the homosexual kind. It could not be confessed in that book but he has confessed it at length in the book which preceded this one, *Christopher and His Kind*. The Swami was wise enough not to attempt any sexual prohibition and welcomed Christopher's friend to the Center with the same openness as Christopher, though there was one young man whom he did not entirely welcome. The account of all this in the book makes strange, lively reading. The interaction of the spiritual with as it were political considerations within the Center is

shown in all its complexity. Even when Isherwood left the Center to set up house with his friend he stayed on best of terms with the Swami continuing to attend the various ceremonies and see him in private audience at regular intervals. The goodness of the Swami as well as his absurdity often shines through the book's pages. I doubt if it will make converts in the West to the religion in which the author believes. But then it is not intended as an apology. It is as an objective account of what happened to one Englishman. To see the author as I was lucky enough to do the other evening at a reception given by his publishers, alert, polite, dealing incisively with a mass of questions showered at him by the guests, looking more like a man of 50 than a septuagenarian, suggests that whatever faith he has found has given him uncommon strength of purpose.

## Fiction

## Railway moles

BY ISABEL QUIGLY

**The Flowers of the Forest**  
by Joseph Hone. Secker and Warburg. £5.50, 365 pages

**Spirit Man**  
by Elizabeth O'Connor. Angus and Robertson. £5.50, 171 pages

**The Blue Guitar**  
by Nicholas Hasluck. Macmillan. £5.95, 206 pages

Bletchley in the 30s and 40s was the navel of academic England, not so much equidistant as equidistant from Oxford and Cambridge, the place for changing trains between the two. The place for counter-espionage as well, where, in the war, crossword addicts cracked codes and ideological train-changers were vetted. With witty accuracy it is used in *The Flowers of the Forest* as an image of much in the world of donnish espionage, with the Oxford and Cambridge Model Railway Society located there to act as cover and recruiting centre for enthusiasts who will later burrow down to become moles.

Lindsay Phillips has a model train set in his attic and a life-time of burrowing behind him. One day, working with his beloved bees on his Scottish estate, he vanishes. It's 40 years on from the main mysteries of his life but what's that to a dedicated mole? What colour of moleskin Lindsay wore it takes us the whole novel to discover (and even then there's a certain ambiguity, the piousness of life), since he seemed to move from race to blue with surprising thoroughness, like that mole of moles and ultimate bolter, Philby.

This is the best thriller I've found in years, perhaps the best I remember; too serious and rich for the word thriller and what it implies though sticking closely to the thriller genre: a novel about the mysteriousness of human beings rather than the mysteries of intelligence where it happens and he starts writing a book on the life and times of Jacko, his spells and spell-binding presence, first from hear-

something else, pages or chapters ahead: a Trojan Horse at the start being echoed by a much bigger, more permanently intended Trojan Horse at the end: railways, full size or model, running through the story from start to finish; and music; and bees, honey and swarming; and burial, literal, metaphorical and faked; and pervasive smells, like that of plums. Above all there's a sense of densely packed layers of memory and interconnected experience: in friendships, among colleagues, lovers, even spouses; and of secrets even among the closest, the impossibility of knowing the truth — with ultimate, total exactness — about anyone.

Atmosphere too plays a surprising part in a novel as active, as full of doings and runnings about, murders and corpses, hold-ups and surprises, the routine stuff of thrillers used in, yes, a thriller-like way but at the highest level of subtlety and therefore of intellectual excitement. And with so many models of amazing fact before us (molehills in familiar landscapes) amazing fictions are certainly no odder and, as used here, just as credible; and beautifully contrived, like the miniature trains clattering through a tiny world of perfectly envisaged stations and countryside: or the perfectly contrived living world of bees, who can find a home, as they do at the book's ending, in the most surprising places. It all works at all sorts of levels; entirely without pretentiousness going far beyond the limitations of its genre.

*Spirit Man* is a plain tale from Australia in the 1930s, told with verve and warmth. It starts with what seems like a hideous murder that turns out to be a superstitious effort at self-improvement by a pair of Aborigines, one of whom is Jacko, the local spirit man, dealer in magic and spells. Simon is the 12-year-old son of the cattle-station where it happens and he starts writing a book on the life and times of Jacko, his spells and spell-binding presence, first from hear-

say, then from meeting him, getting involved with him, discovering his awkward innocence. Then, unmasked as Jacko's friend and confidant, he gets involved in adult fears, he is muddled and panic. Very likeable and atmospherically unusual.

*The Blue Guitar* is Australian again, but very different because urban, go-getting and funny; but also full of verve and, surprisingly as the book advances, warmth. Dyson Garrick is an entrepreneur always on the tip of a breaking wave (of fortune or disaster, who is to say? He and his bank manager differ deeply). His latest enthusiasm is for a guitar electronically prepared to do almost anything for anyone: i.e. no skill required but an impression of talent exuded through batteries and recordings.

There's a touch of the Lucky Jims (Dyson/Dixon) and more than a touch of the actor/mountebank (Garrick) about him, and about the style and dialogue a sort of anarchic control that's very well organised. It takes an original talent to make comedy out of business chat and the vagaries of cash flows and financial statements. Business is not generally the novelist's milieu but Nicholas Hasluck is a lawyer and presumably knows what his hero is up to his neck in: trouble.

## Duchess never wore gum boots

by GEORGE MALCOLM THOMSON

**The Duchess of Windsor**  
by Diana Mosley. Sidgwick and Jackson. £8.95, 224 pages

"It was the best of times; it was the worst of times." The spectre of revolution stalked through the streets of

Mayfair. Hostess rose against hostess. Osbert Sitwell wrote a lampoon against the Archbishop of Canterbury. Compton Mackenzie thought it the most exciting thing since the '45 Rebellion. Lord Beaverbrook, who had said that, for him, George V was the last king, was

drawn into the new king's business and, suffering what tortures can be imagined, listened while the new monarch perambulated round the dining room in Buckingham Palace, wearing a kilt and playing the bagpipes. It was the Abdication.

Would he, could he, should he marry her? Was the Throne to be shared with a woman who had been twice divorced? A Great Constitutional Crisis had arisen over a Grave Moral Issue. Gladstone would have revelled in it. Disraeli would have drawn from it the last

drop of exquisite absurdity. In short, there was a wonderful outpouring of humbug.

Mrs. Simpson, the occasion of this historical drama, did not have a good press. Left by Lady Furness to look after Edward while her ladyship went on holiday she had pinched her friend's chap which was widely held to be the sort of thing a nice girl did not do. On this issue, it may be granted, there was a difference of opinion. What else did Lady Furness expect? Did not ancient Cockney wisdom give the warning, "Never introduce your donah to a pal"?

Even the little group known as the King's Friends looked on Mrs. Simpson with mixed feelings. One evening an unknown nihilist threw a stone through her window.

And then, quite suddenly, it was all over. She left for France. And the consequence was he abdicated. Everybody was relieved. Lady Curzon was left to deplore the arrival on the throne of a new sovereign "who was an epitome of the domestic virtues that she considered most distasteful." The wives of the King's friends debated whether or not they should curtsy to the lady who had become Duchess of Windsor. They did. The revolution was over.

The exile in France of which Diana Mosley writes with knowledge in this friendly, compassionate biography, had its advantages. For example, the sympathetic French government did not insist on being paid income tax by the royal refugees.

She could indulge her enthusiasm for the most expensive countries — after Balnecraig, Giverny — to whom she was "Your Royal Highness." She could fill her home with knick-knacks for which her taste was truly royal — one table was covered with Meissen pugs. There was also the country house outside Paris to be done up and decorated, there she and the Duke could relax after the social whirl, he in his kilt in the evenings. It was an agreeable and dignified life although it does not sound very interesting. It was certainly different from the life led by the British royal family dressed in gum boots and head scarves. The Duchess never wore gum boots. She was a *femme d'intérieur*. Incidentally, she spoke of her husband as "the Duke." That, too, distinguished her from the family she had married into.

Was it, however, the kind of life the former Mrs. Simpson had expected during the excitement of the Abdication? It may be doubted. During the war there was a moment of excitement when Duke and Duchess fled by car to Lisbon and the Gestapo tried to lure them back to Spain. The incident, briefly narrated here, might have been more fully described. It might also have had a different ending. It was touch and go.

What part the Duchess took in the affair at Lisbon is not known. But of her influence on the general history of the period she at least has no doubt. She said: "He will be spoken of for a long time because of me."

## Mad about Greece

BY ROBIN LANE FOX

**The Hill of Kronos**  
by Peter Levi. Collins. £5.95, 222 pages

**The Victorians in Ancient Greece**  
by Richard Jenkyns. Blackwell. £15.00, 386 pages

The Victorians, on Richard Jenkyns's masterly showing, lost their heads very easily on the topic of the Greeks. Peter Levi, on his own showing, lost his in modern Greece. The Jenkyns of the future will have a rich harvest in Peter Levi's travel-memoirs. They are laced with adjectives and high-pitched metaphor, tees with Nikos Gatsos at Flocos and quick-fire lists of surface impressions. The result is as much a book about Peter Levi as about Greece. "That is not to say anything against his many good stories. 'What is London like?' asked a beggar boy on Patmos. 'Terribly dirty and noisy.' I told him. 'Oh yes,' he said, 'Just like Leros.'"

In 1963, Peter Levi first visited Greece, freed for a while from his Jesuit colleagues. In the same year, so did I. No result, came with the Georgian expectations of the grown-up schoolboys whom Jenkyns illustrates so well. I

expected a smooth white beauty, lush vales of Tempe, busts of Plato among nymphs who "quivered an amaranthine asphodel" and a people of athletic grace and exquisite taste. I was excellent evidence for Jenkyns's main themes.

I cannot personally, vouch for Peter Levi. He writes as if Greece in 1963 was rather Arcadian, to be fouled later by the Colonels and mass tourism. I knew no modern Greek poets, on whose qualities he is at his best. But then and later, I knew Athens, Patmos and the Peloponnese. My Arcadian vision was punctured in the year that his began. He works from his old travel-diary in which, briefly freed, he was concerned to notice things, to suggest a total picture by stringing one impression onto another. The book has this same style, lit up by the search for a poet's fitting phrase. Nothing that he later says about the Colonels is unjustified, though it is cast as a personal testament. But other scenes can be more bewildering, perhaps because I was slow to adjust to a book about Peter Levi's Greek experience, not a book, as badly named, on the political and cultural history of post-war Greece.

Richard Jenkyns set up an easier target, our grandfathers'

mirage of the Greeks. There are problems, I feel, of coherence and at times of organisation, but the result is outstandingly good. His examples cover an amazing range of Victorian culture, high and low. He fastens on Homer's tales in Theodore Barstow and brings out their significance. He has some fine pages on Mill and Socrates, brown and un-Hellenic skin, Pater, and John Buchan's view of Milner as a scholar. The delights are his quotations, his sense of irony and his unshaken love of the subject which was being idealised.

His chapters on art, especially sculpture, and on change and decay, especially in sex and morals, go way beyond the points that would instinctively occur to one. It was time Eliot's knowledge of the Greeks was looked at closely. He well remarks how the great age of English "Hellenism" was accompanied by no perceptive scholarship on the Greeks and their culture. Equally, our own age's deeper awareness of what the Greeks were like has seldom been accompanied by any deep familiarity with English literature and culture. It is the shining merit of this book to bring the two back together, using the ancients to throw sharp light on their self-styled heirs.

## Jazzman's glory

BY KEVIN HENRIQUES

**The World of Earl Hines**  
by Stanley Dance. Sidgwick and Jackson. £6.95, 324 pages.

**Dizzy: To Be or Not to Bop**  
by Dizzy Gillespie with Al Fraser. W. H. Allen. £9.95, 553 pages.

Earl "Fatha" Hines at 74 and John Birks "Dizzy" Gillespie at 62 are two of the most innovative and influential figures in jazz music. In the 1920s Hines created what became known as the trumpet style of piano playing, so called because of the way he phrases in octaves like a trumpet and uses tremolo effects as a trumpet uses vibrato. He later led a big band for 20 years, including in the early 1940s which became known as the "incubator of bop" or modern jazz. For a short time in 1942-43 among his trumpet section was Dizzy Gillespie, himself creator of an original trumpet style and, as instrumentalist and composer, a major figure in the evolution of bop.

In 1980 the influence of these two legends in their own lifetime still affects any jazzman who plays piano or trumpet. Anyone doubting this has only to refer to their life stories in which, with the aid of taped interviews and unobtrusive "ghosts," they recount their incident-packed lives and from which their crucial contribution to jazz clearly emerges. The Hines story, written in

collaboration with Stanley Dance, British-born writer and Hines' long-time friend, takes the form of the pianist's own reminiscences (from his childhood in a Pittsburgh suburb to the treadmill touring of today) plus interviews with former colleagues.

Hines' words are never less than urbane, engrossing and revealing, especially when outlining the background to his early life as a performer, recalling working in rough, tough Chicago and describing the ordeal of being a Negro musician on tour in America in the 1930s.

There are some ill-concealed gaps—for instance he jumps from 1946 to 1963 in eight pages—which reflect comparatively sterile times in his career. The interviews with associates are a mixed batch with some interviewees such as Dizzy Gillespie concentrating more on themselves than on Hines.

But opinions such as those of Trummy Young ("He was no business man") and Cliff Smalls ("Earl had some popping bands but somehow never had enough credit for them") score because of their ringing truth and add important detail to the overall picture drawn by Hines/Dance.

In his autobiography Dizzy Gillespie enthuses about Hines: "(he) is class personified." Whether this apt evaluation could be unblushingly reciprocated is debatable for Dizzy, without doubt one of the most uninhibited and flamboyant characters in jazz, recounts his full life with a breezy earthiness and honesty that symbolises jazz.

Dizzy takes the form of a first person chronological life story liberally interspersed with interviews from relatives, friends, musicians and associates. Wherever possible those mentioned by Gillespie contribute their version (sometimes contradictory) of events or incidents. Some omissions are glaring though: nothing from Stan Kenton whom Gillespie criticises or from trumpeter Jonah Jones, key man in the famous Cab Calloway spitball incident.

Though some strict trimming would have benefited it—there is much rambling and repetition—the book's stimulating essence comes from what Gillespie reveals about himself. He is clearly a deep thinker, not only about jazz. The importance to him of the Baha' faith and the powerful influence of his (only) wife are strongly emphasised. So too are his views on narcotics and race issues. On the latter he admits frankly: "If it wasn't for white people I'd starve to death."

In total Dizzy is an appropriately monumental work about one of the most enduring and endearing jazzmen. And for once the collaborator, here Al Fraser, must take much credit for his tireless and unquenchable devotion in putting it all together.

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## GAME FAIR

FINANCIAL TIMES REPORT



Qualified instructors are on hand at the Fair to teach the finer points of clay pigeon shooting

## Partridge victim of good farming

WHAT MANY would see as the tragedy of modern game preservation has been the virtual disappearance of the partridge from what were once the most productive shoots. There are many explanations, but the most significant is probably the productivity of British farming since the war.

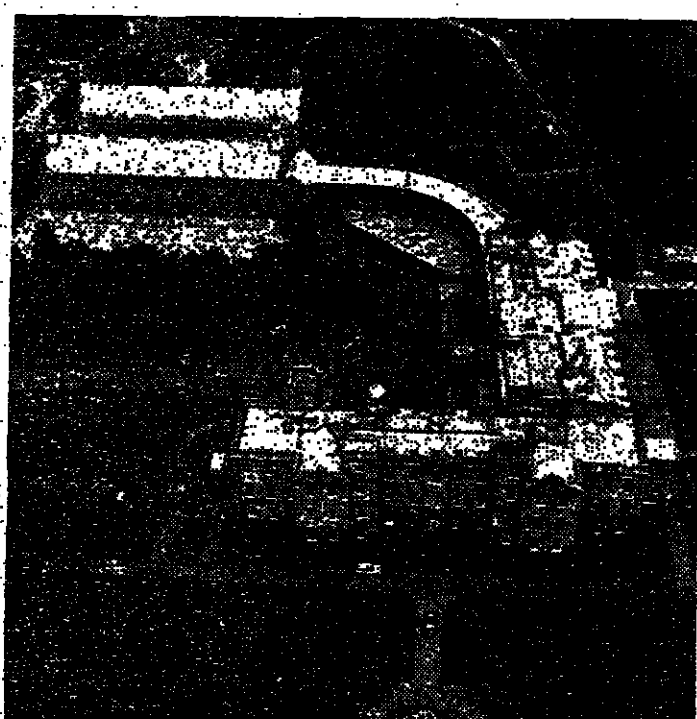
Grain crops are now too thick to allow the birds to wander, and in any case there are few weed seeds to nourish them. Contrary to popular belief, there has been very little use of poison sprays. It is simply that there is no room in modern farming for any plant to compete with cereals or other farm crops.

After harvest the stubbles, instead of being left untouched until well into the autumn or winter, are immediately tilled, so whatever crop residues might have fed the birds are lost.

In the old days the practice was to cut hay late in June or July, and this meant that pheasants and partridges were able to bring off their broods unhindered. Today, when the first cuts of silage come at the beginning of May, those nests in the crop are cut up, and the overgrown hedge bottoms they also used to favour no longer exist on the best farms.

It is true that by careful planning, nesting and dusting sites can be preserved without much harm to the efficiency of the farm. But even so the survival of partridges is uncertain at best, and most game preservers concentrate on a much simpler problem—rearing pheasants.

These can be hatched, reared and fed on more or less the same principles as chickens. There is always a sprinkling of wild pheasants, and they can be encouraged by reasonable management of breeding and holding sites. But they do not naturally produce a large



Welbeck Abbey, centre of the 16,000-acre estate at Worksop, Nottinghamshire, where the Fair will be held. Right: Power in the air—a Harris Hawk from Africa

enough population for serious shooting, which can be let at a high price.

The costs of putting down a couple of thousand pheasants would probably amount to at least £5 a bird finally put over the guns, and could easily be double that if disease or predators made a real attack on them. The rents of such shoots are correspondingly high. But even at £100 plus a day, each gun would probably have more targets for his money than could be provided anywhere else.

There are some who claim that there is just as much interest to be found in a fairly

Game shooting and fishing are probably better organised in Britain than anywhere else in the world and the recession has had no effect on the amount sportsmen are prepared to spend. On Thursday, enthusiasts and laymen will gather in Nottinghamshire for the 23rd Game Fair. John Cherrington reports.

## Hunting instinct ever present

THE Country Landowners' 23rd Game Fair will open on Thursday at the Welbeck Estate in Nottinghamshire and will run for three days. Starting as a modest one-day event, the Fair is an established success, attracting enormous crowds, many of whom can have little opportunity to share in the various blood sports demonstrated there.

But there is among Britons an enormous interest in what is rather wrongly named coarse fishing, and sea angling, not particularly well demonstrated at the Game Fair, showing that the hunting instinct is ever present.

Because Britain is a small and heavily populated island, the opportunities for satisfying that instinct are naturally limited. But, paradoxically, the traditional sports of game shooting and fishing are probably better organised than almost anywhere else in the world. This has been due in no small measure to the Game Laws. These not only protect the animal populations by very strict enforcement of the shooting seasons, but give landowners the power to preserve their own game against whole-

sale attack by all and sundry. Without this protection, which goes back to feudal days and was no doubt the cause of much injustice in the past, it is doubtful if there would be more than a scattering of fish and game for even the privileged to enjoy.

In the U.S., for instance, there is apparently no individual protection for game. Preservation is administered by the State authorities, who enforce a very strict limitation of the bag.

The income from sporting rates is an important factor in the finances of many districts. It used to be said that the education of much of central Scotland was supported by the rates charged on the sporting rights, which were set at a figure which exceeded the intrinsic value of the bag.

Nor does the present recession seem to have cut down the amount that sportsmen are prepared to pay. Rents for all manner of sporting rights seem to have kept pace with inflation. In fact it is generally believed that many of the beneficiaries of Sir Geoffrey Howe's first Budget have been investing their surplus income in securing sporting rights, rather than in

British industry as Sir Geoffrey rather naively hoped they would.

But the economics of letting sporting rights have probably been at best no more than a means of cheapening the overall costs of the landowner concerned, allowing him the sport reserved for himself at a slightly lower expense. Otherwise inflation has affected every single input, from the wages of the keepers or ghillies to the fuel for transport.

### Warning

The capital or letting value of the sporting rights are usually fixed in terms of the average bag. A word of warning here to prospective sportsmen: population of game dependent on natural reproduction, say salmon and grouse, have very cyclical patterns dependent not only on the weather of the season, but on the natural, but unexplained, cycles of all animals. It is as well to look not only at the averages, but at the individual years in the records, so that the real pattern can be estimated. The sporting industries, the suppliers of guns, fishing tackle,

game food, etc., are well represented. British guns are undoubtedly the best in the world and a good pair a marvelous hedge against inflation. But imports are penetrating deeply into the cheaper end of the market.

Fishing tackle appears to be a boom industry, but it is interesting to note that the real growth area is among the coarse fishermen, particularly those who go in for competitive fishing. None of these would be satisfied with less than five or six rods, and of the best carbon fibre too, while the allegedly more affluent game fisherman would content himself with one at a time.

But blood sports are under attack. At present the targets are fox and stag hunting and hare coursing, possibly because the pulling down of the stag by hounds or the destruction of a fox or hare is pretty barbaric to the non-sporting onlooker. Shooting and fishing do not seem to attract the same opprobrium as yet, although the animal suffering is probably greater in total. This is probably because a major part of the population enjoys these sports.



## Salmon on the way back

THE POPULARITY of fishing supports a sizeable tackle industry, several publications and such fringe pursuits as the breeding of specialised maggots and the supply of trout and other fish to restock lakes and rivers.

The cream of the sport is salmon fishing which, probably because of the large element of chance inherent in it, is the most sought after.

The salmon does not eat once it returns to the river of its birth, where it may remain for many months before it spawns in the autumn. Therefore the fish is not primarily interested in food when it takes the bait or lure. It must be admitted that salmon will take such things as live worms and balled prawns. But no real Game Fair addict would admit to such practices: indeed the majority of rivers refuse to allow them.

The salmon will only take a fly or other lure when it suits. No one yet has been able to define the conditions, whether atmospheric or otherwise, under which salmon are prepared to take. They will lie for hours with lures passing well within their reach and make no move.

They are also becoming scarce and the runs up many of the rivers are nothing like as good as they were half a century ago. The common explanation is that fishermen have found the salmon's sea feeding grounds and particularly off Greenland, have reduced the stocks by heavy fishing. Drift netting and poaching have also taken their toll.

But there are signs now that thanks to various Government and voluntary activity, these attacks on the stocks have been contained and many rivers re-

port a very welcome increase in catches in the last two years.

There is little a riparian owner can do to increase catches beyond stocking the head waters with parr (the young salmon) which may eventually go to sea and then return. But in spite of all uncertainties, the competition for rods on even a moderate river keeps fishing rents at very high levels.

Fortunately for the game angler, trout of various species breed well in captivity, and as it is not a migratory fish it will remain more or less where it is introduced. Some purists would decry the put-and-take fishing of so many streams, lakes and reservoirs, but without this stocking policy the natural populations would hardly satisfy the aspirations of even a tenth of those wishing to fish for them.

### Classic

The classic sport is undoubtedly dry fly fishing on the chalk streams of the South of England and the Game Fair provides competitions for fly casting where even the writer once won a prize.

In dry fly fishing the object is to drop an artificial fly in front of the fish so that it will mistake it for the real thing. It is the art of true deception. The wet flies, so called because they are fished below the surface, are for the most part simply lures which the trout take as a very small fish or some other target. Most, but not all, still water fishing for trout is by wet fly, and while it is an acceptable alternative to scarce river fishing, nothing really beats moving water.

The real beauty of still water fishing is that within certain parameters almost any body of

water can be stocked with trout, probably rainbows, and the breeding and care of trout is now thoroughly understood.

But most fishermen in Britain are highly skilled and determined in the pursuit of what are rather condescendingly called coarse fish, meaning fish which are not of the trout or salmon families. The skills of the coarse fishermen, most of whom catch their fish, weigh them, and return them to the water in competition, are very great. Some I have met are dedicated experts and great naturalists and are fascinating to watch.



A spaniel retrieves a dummy from the Great Lake at Welbeck

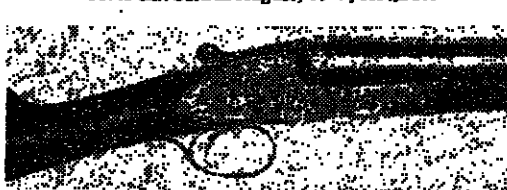
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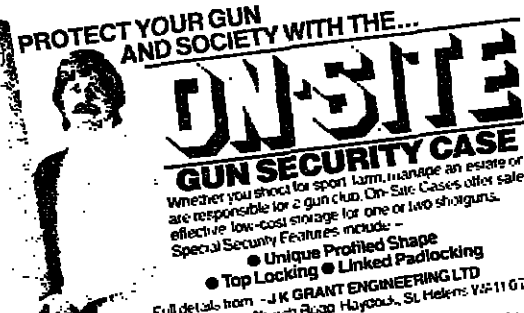
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## LEISURE

## Thinking of autumn leaves . . . and bulbs

BY ARTHUR HELLYER

THE FIRST bulb catalogue, Van Tubergen's, to drop into my letter box is a reminder that autumn is not far away and that there are actually some bulbs that flower in the autumn and so need to be planted now. One of the first to flower is a crocus named *C. zonatus* which can be in bloom by the end of August. Its flowers appear long before the leaves and are distinguished by a circle of yellow dots in the heart of the otherwise lilac bloom, the "zone" indicated by the name still used for this species in gardens though botanists have long discarded it in favour of *C. kotschyanus*.

This early species is followed quickly by *Crocus speciosus*, in some ways the most beautiful and useful of those that flower in the autumn. Several forms are available, the commonest having lilac-blue flowers not very different from those of *C. zonatus* but lacking the yellow dots. *Atichisonii* is larger and paler in colour and *Artabir* is white veined with blue-purple.

*Crocus medius* is pale blue and very beautiful, much like the saffron crocus, *C. sativus*

from which the dye of that name is obtained but flowering before its leaves whereas *C. sativus* has plenty of leaves by the time the flowers appear. *C. salzmannii* is pale blue and very beautiful, opening a little later in October or early November, and *C. ochroleucus* is even later, winter rather than autumn flowering and creamy white. To these Van Tubergen add *C. goudimyi*, a species new to me which they say they have introduced from Greece and is shown in a picture as very like *C. medius*.

These are all ideal plants for sunny, well drained rock gardens, raised beds or trough gardens where they can be looked after properly and will not be smothered out of existence when they are half forgotten in the spring. By contrast the colchicums, often referred to as autumn crocuses though they are unrelated and the similarity of their flowers is superficial, are well able to look after themselves and can be naturalised in grass, where their rather coarse foliage will not be a nuisance in the spring, or can be planted among deciduous shrubs. They are grown from big bulb-like tubers which

often start to flower on the shop shelves without benefit of soil or water. However, this does them no good and the proper way is to order them now for early August delivery or to purchase them directly they appear in the shops. *Colchicum speciosum* is the best kind and is available both in its normal lilac-pink form and in a lovely white variety which has become very expensive.

*Amaryllis belladonna* is the pink and white Jersey Lily, nothing to do with the much more tender winter flowering *hippeastrum* which Dutch nurserymen will persist in marketing as *amaryllis* though the name has not been applied to them for a century. The true *Amaryllis belladonna* is sufficiently hardy to be planted outdoors in warm sunny places in many parts of Britain and it flowers in August and September before the leaves. There are several large trumpet shaped flowers on each stout stem and they are very sweetly scented — some would say too sweet and cloying. The normal colour is rose pink and white but there is considerable variation and I grow forms which are wholly pink and wholly

white. One of the secrets of success is to plant the very big bulbs so that they are just nosing through the soil and to give them a position where they will get well baked at some time every summer.

*Sternbergia* looks even more like a crocus than colchicum yet is equally unrelated. It is a sun lover as I discovered the hard way by planting it in the shade and getting no flowers at all until I moved it out into the open. The flowers are buttercup yellow and those of *Sternbergia lutea*, the most likely species to be available, come with the rather abundant, dark green, strap shaped leaves. *S. clusiana* has larger flowers which come before the leaves but it is very seldom offered.

I do not really like buying hardy cyclamen as dried tubers for, though it is the natural habit of these plants to lose all their leaves at some period, I do not like to see them at the same time nor do they become completely dormant as the tubers of begonias or dahlias do. They dislike being out of the soil at any time and the longer they are out the more they suffer. So ideally they should

be obtained in pots but retailers find this an awkward way to handle them and prefer to sell them dry like other bulbs and tubers. So this is the way one must often start and I have then found it best not to plant outdoors straight away but instead to line the tubers out shoulder to shoulder in moist peat in seed boxes. They need not be buried in the pot as it is their natural habit to grow on the surface. If they are then kept in a shady greenhouse, frame or other shelter until they have made some roots and leaves they can be planted out with much greater prospect of success — and it will almost certainly be found that they will not all be ready for planting out at the same time.

The kinds most likely to be available are first and foremost *Cyclamen neapolitanum*, with handsomely marbled ivy-like leaves and *C. coum* which is just as likely to be offered as *C. orbiculatum* since for years botanists said that this was the correct name and then changed their minds. *C. neapolitanum* flowers in the autumn and *C. coum* in the spring so together they make a perfect pair for a cool and shady place in the

garden in soil that contains plenty of peat or leaf mould. Both are hardy and both are obtainable in several forms including a beautiful white flowered variety of *C. neapolitanum*.

There are also snowdrops and snowflakes to flower in autumn and these too must be planted as soon as possible. The snowdrop is called *Galanthus nivalis reginae-olgae* and is a Greek form of our native species. Like all snowdrops from Greece it is accustomed to sunshine, not shade, so is a plant for the rock garden rather than the woodland. The snowflake, *Leucojum autumnale*, is also a lover of sun and warmth, very different from the summer snowflake, *L. aestivum*, which is tall and bold and well able to look after itself whereas this is a fragile little beauty a mere 6 ins high with slender stems each bearing one or two blushing flowers like little bells.

Finally I strongly recommend *Nerine bowdleyi* for any warm sunny place. It is quite hardy but needs sunshine to make it flower freely. When it is happy there is no autumn bulb that makes a more brilliant display with heads of gleaming rose pink flowers which can continue well into November. It needs exactly the same treatment as the Jersey Lily with its bulbs half exposed so that they get fully ripened.



Lee Trevino

## Splendid Trevino

## GOLF

BEN WRIGHT

LEE TREVINO, the most accomplished runner in modern golf history was leading, just as he likes to be, at the halfway stage of the 109th Open Championship. Trevino, after rounds of 68 and 67 for a seven under par total of 135 was three ahead of the van, but courageous Scotsman Ken Brown (on 70.68) and the 1976 U.S. Open Champion Jerry Pate (71.67) who were at four under par.

In the early evening the position was that there was a further two stroke gap to a quintet at two under par 140 that comprises Jack Nicklaus, Ben Crenshaw, Andy Bean, Dr. Gil Morgan and Australia's Jack Newton.

There were five more players below par at one under, and thankfully four of them were British.

Trevino produced another virtuoso display of strokes to keep the ball strictly in play for the second day running was playing even better than he had done when winning the Tournament Players' Championship in Florida in early March. Only once has he failed to win a major championship when going into the closing stages with a clear cut advantage. This happened in 1970 at the Open Championship at St. Andrews, when he was far less experienced and allowed his Latin temperament to get the better of him. He three-putted five times in his final round, eventually rather losing interest.

Being able to keep the ball out of the long grass is obviously a successful recipe on this glorious links, particularly on this cool and windy day. It was really much more difficult than after the rain of Thursday, rain that had largely fallen straight down out of the leaden skies.

Trevino made no vestige of a mistake apart from three putts from the edge of the green at the 558 yards 5th hole that deprived him of a birdie which might have even further demoralised the opposition.

He had just holed from 20 feet for a two at the short fourth. He wedged close to the hole at the ninth for a second birdie, hit a lovely 4 iron shot 12 feet from the hole for another at the 475 yards tenth, and was thereafter content to cruise until he came to the 17th. 542 yards downwind and an obvious opportunity for an eagle three to be recorded, as Pate has just done.

Trevino once again drove unerringly, caught the green with his four wood, but limped out his putt for the elusive three. I say elusive advisedly because under an hour ago Nicklaus came to the same hole in a marvellous position to really steal a march on the field and draw closer to Trevino with a round of 65. Alas, when looking for an eagle 3 at the 17th hole he forgot the little bunker on the left that is close behind the visible acreage of sand that menaces that area of the course from the tee. With his customary frankness Nicklaus admitted this lapse of memory, and his eagle flew out of the window just when he needed it most.

At the last hole Nicklaus

thought he had struck a perfectly cut four iron shot that would finish ten feet from the hole. But the left hand bunker is insidiously close to the cup, and it grabbed at his ball, ricocheted against the back edge and came to rest on the downslope in a footprint unlikely left unmarked by a previous competitor.

Nicklaus fashioned a magnificent recovery, but he could not hole out from 15 feet for his par and the great boost to him psychologically of a 65 became a rather low key ending to a superb round of golf.

Nicklaus had started off just as he had finished yesterday by holing a monstrous putt. But this time he was short of the teeth of the wind — with his drive and a one iron shot. But he booted the ball with his putter from the fairway straight into the hole from 70 feet.

Birdie was a formality for him downwind at the long fifth, where he found the green with his second shot, and he added two more birdies in successive holes with a fine 7 iron shot four feet from the 471 yards sixth hole after an excellent drive. Nicklaus then holed in a 22 foot putt up the seventh green for a two, but the only other success he had on the greens was at the twelfth hole, where he got in a 20 footer for his last birdie. Thereafter he made a great recovery from a bunker to save his par at the 14th, but fell away at the finish.

Brown has taken much criticism from me in the past for his conduct — particularly at the Ryder Cup Match last autumn — and for his slow play. But he is a reformer and it is, in my view, determined one, and it is marvellous to see him doing so well. He might have done far worse had he not made putts of 10 feet on the first green and 15 feet on the second for his par fours. It is the ability to scramble this is the hallmark of champions, and despite his frail and waif-like appearance this youngster appears to have a very solid backbone. Alas, he was our sole representative on the leader board last night, but certainly he will give it a go in the last two rounds, and Trevino is not invincible, although his current form makes him appear virtually that way.

Another unknown made his mark on the event today. Horacio Carbonetti broke the course record with a seven under par score of 64 that followed his undistinguished first round of 78 with a considerable flourish. Last year Carbonetti, a 32-year-old who is formerly an Argentinian amateur champion, won £500 as a professional in his first year in Europe. This is his fourth event this year in the same theatre of activities, and he has won just £437 for 29th place in last weekend's English Classic. A refreshing individual who took to golf when bored of life as a lawyer, and gave up motor-cycle racing because he crashed too often, starting only 28 putts in his first round, and it is a marvellous position to really steal a march on the field and draw closer to Trevino with a round of 65. Alas, when looking for an eagle 3 at the 17th hole he forgot the little bunker on the left that is close behind the visible acreage of sand that menaces that area of the course from the tee. With his customary frankness Nicklaus admitted this lapse of memory, and his eagle flew out of the window just when he needed it most.

At the last hole Nicklaus

Looking at bleak days for anglers when the old ones give you a battle . . .

## Stale salmon and sour grapes

## FISHING

JOHN CHERRINGTON

A BLANK DAY on the Wyre gave me plenty of time for reflection. The water was in fine order, quite clear and the floods of a week or two ago had removed much of the weed. There was even the odd salmon about; a dark fish under a willow in very slack water was quite obviously an old stager which had been hanging about the river for a few weeks. He showed himself every few minutes, but what he was jumping for except to tantalise me I cannot think.

This kind of fish is said to be very hard indeed to catch. It has long forgotten what it was like to eat, so is no longer tempted by lures drawn in front of its eyes. But every now and then one does give way to curiosity or irritation, and exasperates the lucky fisherman because he has lost colour, and is dark brown or red. Incidentally these fish smoke just as well as any other, and are quite tasty cooked, whatever the critics say.

In fact this general disparagement of a stale fish is probably no more than sour grapes. I believe, having caught one or

two myself, that these fish are much harder to catch than a fresh run one, innocent of all subterfuge after spending so long in the seas, and sullen to the point of suicide.

However, suicide was not the mood of the fish on this particular day. There were fresh fish, which the cogniscent termed running fish, in that they periscoped or head and tailed briefly and then were seen no more. Were they really running up stream or were they just having a look at their surroundings before settling down on the bottom for a good long rest. Short of donning frogmen's outfit it was impossible to tell what they are really doing, or what was going on in their minds.

What was absolutely certain is that they were not in the least interested in flies or baits dangled at them although the

water was ideal for either. Why not? The answer to this is really known could make all fishing very much easier indeed and take all the marvellous uncertainty out of the sport. But this indifference was not confined to salmon. All day long there was a constant batch of natural fly coming off the water in clouds.

On a normal day this would have led to endless activity from trout, not many on this stretch, chubb and the countless parr and minnows which are usually so obviously present. But this time the water was absolutely lifeless. Not a fish broke the surface, the flies hatched unscathed to be devoured by the birds which gorged themselves all day.

It seemed as though there was an absolute refusal of the fish of any species to rise to anything. What were the water or atmospheric conditions which induced this virtual hunger strike. It was a nasty black day with a steely sheen on the water, and the threat of thunder in the air. It was also cold with a chill that reminded

me more of early March than July. The water looked dead, and was dead as far as game fishing was concerned. Only the worms had any success, which gave I think the lie to those who claimed that the fish were just rushing up river regardless.

My observations gave me a very good idea as to when successful fishing was unlikely, but such knowledge, even certainty, is small consolation when the day has been booked well in advance. And having booked it one might as well stay on the beat trying to improve one's casting or fly presentation in the hopes that eventually there could be a miraculous change in the conditions.

The trouble is that while I can be tolerably certain now of the conditions when the fish will take no interest, I have still no clue as to when they will throw caution to the winds and leap after the fly. This will require many years of application probably over several lifetimes. Next week I shall take a bucket of worms.

## RACING

DOMINIC WIGAN

## Battle of winners

ALL TWELVE runners in today's tightly handicapped Morland Brewery Trophy at Newbury, have won at least once this season.

Although Ian Balding has, surprisingly, decided to saddle Major Gundry rather than waiting for the three furlong shorter Stevenston Stakes, half an hour later, Paul Mellon's top weight looked to have too much to do with 9 st 7 lb. Two better prospects are almost certainly Ditton Wood and Marechal.

Since finishing a remote seventh of 15 behind Dimplino at Haydock on his racecourse debut, Harry Wragg's Ditton Wood has made fine strides and last time out came good with a win in the Mat Flatman Apprentice Stakes on his home course. Backed from 6-4 to odds-on in that mile and a half event, Ditton Wood always looked like justifying the confidence.

Chichester trainer, Steve Woodman, could hardly have asked for a more favourable

handicap mark than the 7 st 7 lb allotted to Marechal. In the frame on all but one of his six appearances since the start of the campaign this chestnut by Bolkoniski out of a Le Fabuleux mare, has nothing to fear from Zarfina on their recent running in the Tetbury Handicap at Bath.

It will be a major surprise if Marechal does not make a bold bid to take advantage of particularly lenient handicapping.

Turning to Ayr, where that lazy but talented middle distance performer, Moomba Masquerade can lift the five runner Mecca Bookmakers' Scottish Derby, Baas strikes me as the safest bet of the day in the Glen Sannox Stakes. Moomba Masquerade's stable companion, will have to come to a great deal as a result of a much needed run at Newmarket.

- AYR**  
1.45—Layrum  
2.15—Baas\*\*  
2.45—Moomba Masquerade  
3.15—It's Magic  
3.45—Joyous  
4.15—Limousine
- NEWBURY**  
2.00—Moonlight Serenade  
2.30—Robellin  
3.00—Marechal\*\*  
3.30—Many Moons  
4.00—Sandhaven  
4.30—End of War\*
- NEWMARKET**  
1.30—Lorentino  
2.30—Bugle Sound  
3.00—Belmont Bay  
3.30—Stars in Your Eyes

## Fighting the tie and sock war

## FASHION

ARTHUR SANDLES

PERHAPS there is a case for paying more money to reporters caught up in the sales scene. I could offer as evidence the bruises incurred in the tie department at Liberty, or perhaps the crushed toe which came my way in the casual trouser section of Harvey Nichols. Fortunately the stores take a lead out of the boxing book with its weight divisions and compartmentalise the sale combatants into sizes so at least you are not mis-matched.

A mere 35-regular like myself would soon come to a sticky end doing battle among the toughies of the 44-longs. The warfare among the suomi wrestlers of the XL sweater section at Simpsons was horrible to watch.

For once the sales have been worth visiting this year. One man's financial worry is another cut-price suit. This summer, for the first time in years, the stores are almost universally selling regular stock rather than stuffing their shelves with specially bought-in products which would not normally sell because of their style, colour or quality standard.

What the stores are doing, of course, is destocking. No-one wants to be left with bulging stockrooms at a time of flagging sales and high interest rates. All are delighted with the way the sales are going, but most seem equally alarmed at the poor prospects for business when the special promotions are over.

The shrewd user of the sales scene this year will be able to build up a good basic wardrobe at good basic prices. In the past week or so I have seen quite serviceable poly-cotton shirts for £3.99, and dozens of quite remarkable suit offers often providing a 50 per cent discount on the normal price. This seems to me to smack not of price-cutting, but of near panic.

As usual among the best buys are things like underwear, ties and socks. Of these, ties are the trickiest. In the early days of its sale the best selection I could find in London seemed to be in that bruising area at Liberty's. Since opening day the selection, and the crowds, have reduced somewhat (the sale ends today). Liberty silk ties have been going for £4.25 and there is a range of Italian and French silk ties reduced

from £17 to £8. Be prepared to deal with women shoppers asking you for advice on current trends on widths and patterns.

The sexes are not evenly distributed in the menswear departments. At certain times of day (mid-morning, for example) you will find a predominance of women shopping in the shirt and tie departments. The suit areas, however, seemed to be almost exclusively male. The old canard that men always seek the advice and reassurance of a woman when buying clothes would appear to be unjustified.

Suit price-cutting at the moment seems to be extraordinarily fierce. Simpsons of Piccadilly has Italian two-piece suits cut from £150 to £79 and its own brand Daks two-piece town suits reduced from £129 to £79. Harvey Nichols has similar hefty cuts on its suits. But what seems to have been the most savage discounting of all took place at Dunhill (30 Duke Street, St. James's) which has been cutting the price of some silk suits from £350 to £50.

The Dunhill sale ends today, but last-minute shoppers should still find some cashmere sweaters down from £50 and £80 to £25 and cashmere jackets in muted checks down from £250 to £100.

At the other end of the scale there seem to be some appealing bargains at Burtons and Littlewoods branches, particularly in leisure wear. For real bargain-basement cutting of things like leisure shirts, however, I would recommend a trudge around the discount boutiques. It is in this end of the business that trade has been hit hardest and it is in this end of the trade that there is the most hectic scramble to turn stock into cash.

Sale buying still needs a high degree of care—particularly in spotting the "slightly imperfect" and "special purchases." Some of these are just ways of getting round discounting products whose manufacturers do not usually like being associated with cut-price offers, but some

actually are not up to scratch. It is probably better to settle for a small discount on something you really want rather than a huge discount on something that is not quite right.

And the most apt discount of the month? Well, apart from the umbrellas which most stores seem to be offering, Dunhill still has a range of raincoats—reduced from £99 and £127 to £65. If you have my sort of luck you'll buy one and we will have an immediate heat-wave but that, at the moment, is the sort of silver lining we might all be willing to accept.

A great disappointment as far as the sales are concerned this summer has been shoes. Perhaps styles have changed too much,

or perhaps the shoe stores have not got a great deal of stock to clear, but real bargains take a great deal of finding.

In one place where I did find some—Levi summer boots for £5.99 (Peter Lord branches) they had gone down from £9.99. Perhaps we will soon get some weather in which they can be worn.

The sale season is likely to continue for at least another three weeks so there is still plenty of time before you indulge, however, I do recommend a course of training. It is, after all, very nice to be able to boast about that silk dressing gown which you acquired for peanuts, but it is really worth getting a broken arm in the process?



Once the sales are over the stores will get back to normal selling and start concentrating on their autumn stock. Customers will find that most retailers will be taking a conservative line in what they are offering. Caution and tradition will be the major themes of the coming months. These suits are sketched from the autumn range of Horne Brothers and will be entering the stores towards the end of summer.



That sales goods are not all normally unsellable cast-offs is indicated by this outfit put together from Harvey Nichols' sales good. The suit is pure wool D'Anzani, reduced from £165 to £99. The shirt once cost £19.95 and now sells for £9.95. The tie is from a range at £6.95 (once £19.95) and the fine knit Cosmoore V-neck is £10.95 in the sale against a previous price of £21. Sales, of course, being what they are, any particular product may have sold out since we took the picture. Photographers: Trevor Humphries.

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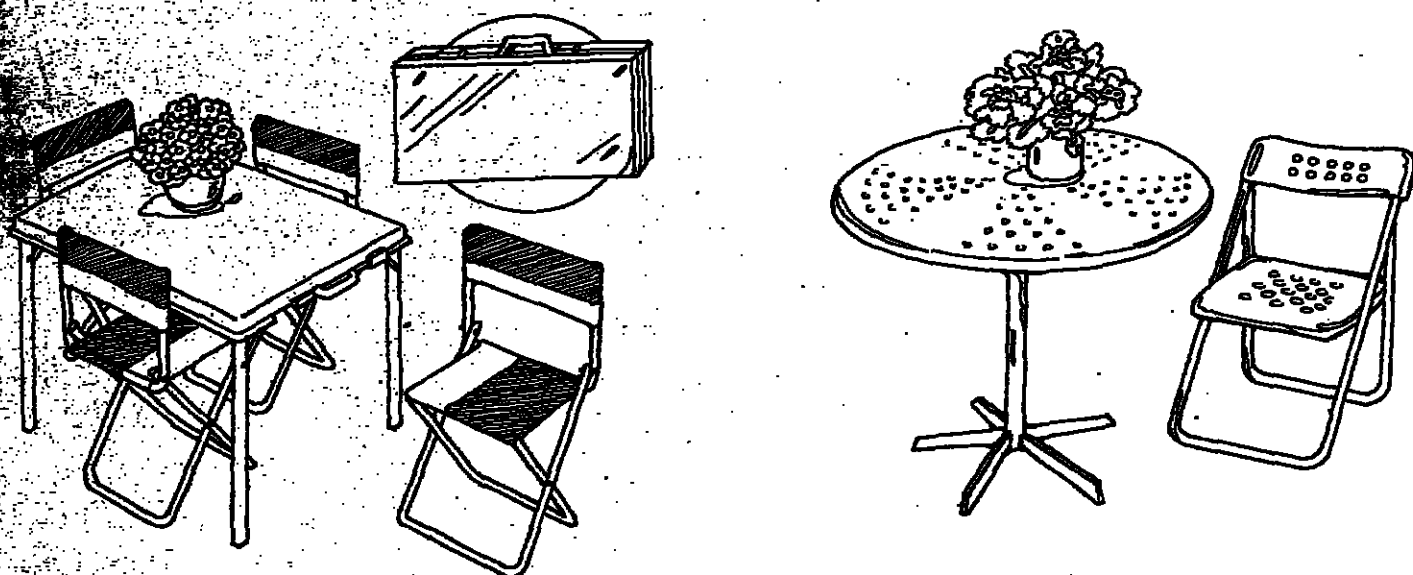


## HOW TO SPEND IT

by Lucia van der Post

So far this summer hasn't done much to entice us outside but given the British weather's well-known penchant for surprising us all, there is nothing like being ready for the good weather when and if it comes. So, hoping there are better days ahead, here are a few aids to enjoying . . .

## The Outdoor Life



While the truly rustic picnic doesn't require a table and chairs at all (Monet knew what he was about—nothing too industrial-looking was allowed to disturb the charming scene) nonetheless there are occasions when table and chairs are essential. For instance, I don't think I would fancy a camping holiday if one was required to eat sur l'herbe too often and quite frequently in England it is simply too damp or too cold for such rash gestures. So while I don't propose you cart these tables and chairs (above left) around to prop up at the side of the motorway there could be situations when the folding suitcase that opens out to form

a table and that contains four folding chairs could be very useful.

When folded up it measures 26 ins wide by 16 ins by 3 ins but I must warn potential buyers that it is very heavy so don't contemplate it if you would have to carry it very far by hand. When open the case forms a picnic table.

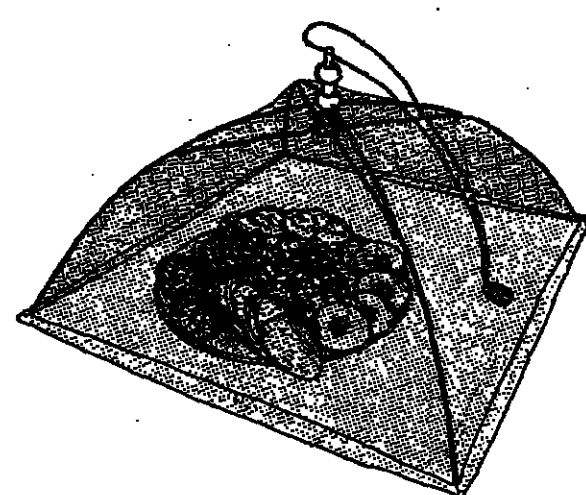
The suitcase-cum-table is made from fade-resistant, break-resistant plastic measuring 32 ins by 26 ins. The four chairs are made from metal with fabric seats and backs. Made by Style of Italy, £45 from Harrods of Knightsbridge, London SW1.

Above is a charming table more suited for patio life than for carting about. The Bob Table, another continental design, comes in self-assembly form but once erected should not be dismantled. Made of lacquered metal, in yellow, red or brown, it has a table top with a 35 ins diameter. The table alone is £30 (currently less 10 per cent in the sale) and it comes from Way In Living, at Harrods, Knightsbridge, London, SW1. The matching lacquered metal chairs fold flat and so could be used inside or out and could be transported if you wished. £9.50 each (also currently reduced by 10 per cent).



Roger Taylor

Our model is holding what looks for all the world like a not-too-attractive holdall—in fact she is just demonstrating how light and portable is the waterproofed picnic rug made by Darsign of Blackwater, Totnes, Devon. The rug side sports a Buchanan tartan but on the underside it is backed with a tough, wipeable, waterproof PVC backing. When folded the complete package is just one foot square and the handles attached to the underside make it very easy to carry. There are two sizes—4 ft by 4 ft which costs £9.95 (p and p £1.05), and 6 ft by 4 ft which costs £15.95 (p and p £1.45). Both can be bought direct from Darsign at the address given above.



Above: A splendid little gadget that I've often longed to have, particularly when in hot climates. It comes from the Far East, where they have reason to know how to deal with flies and other unpleasant insects. The metal structures supporting the gauze fold up rather like an umbrella, so that it can be packed almost flat. 79p (p+p 25p) from Peter Knight of Escher or Beaconsfield.

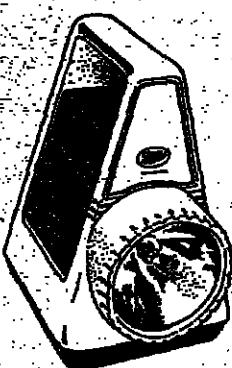


Right: I'm not much addicted to eating off plastic plates but they are practical. These brightly-coloured 'fruity' plasticised designs can be washed and re-used but

don't have a long life-span. £1.50 for 10 (p+p 80p) from Harrods of Knightsbridge, London SW1.

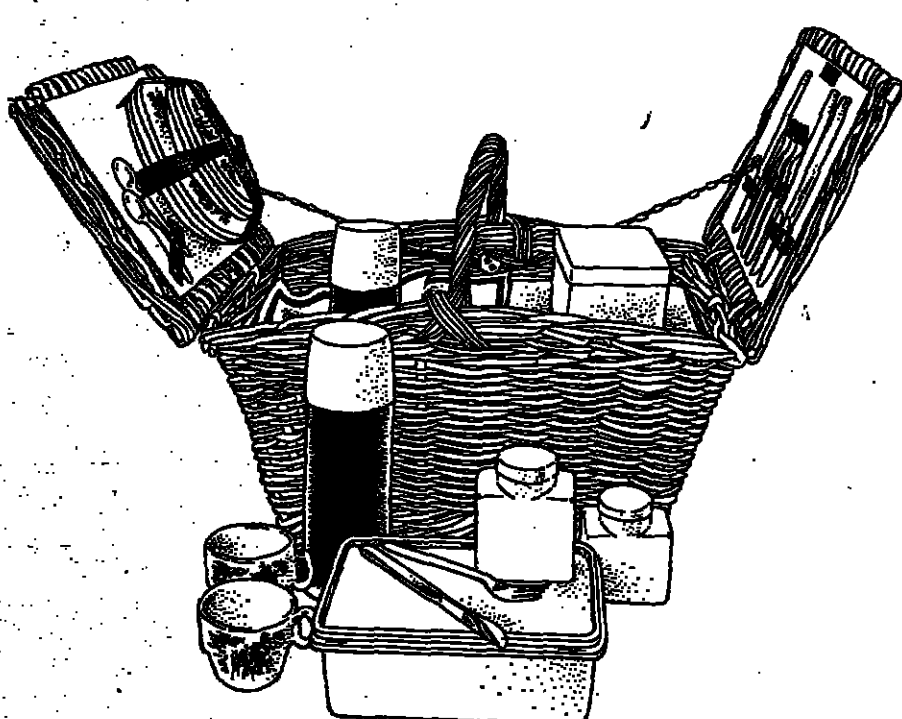


Boules, I used to find when my children were smaller, was one of the less energetic of the games they required us adults to play and consequently more appealing to us on hot-weather holidays than the other ideas they came up with. So, if you want some nice gentle exercise, pack a game of boules. Gordon Gros Sports, Ludgate House, Ludgate Circus, London EC4 sells packs of four silver metal boules for £15.95 (p+p £1.25), Harrods Olympic Way has sets of four for £17.50 (£2.60 p+p). Lighter plastic ones are sold by Hamleys, £2.40 for eight (£3 p+p).



If you are thinking of travelling around the countryside, either at home or abroad, a good sturdy roadside lantern is an essential piece of equipment. Boots produces a particularly useful version at the very reasonable price of £4.95. Made from tough yellow plastic, with a brown base, the lantern itself is pyramid shaped and some eight inches high. The lantern can be used in three different ways: with the main beam only, with flashing orange warning light only or thirdly with main beam on and the warning light flashing intermittently. It works on four 1.5 volt SP2 batteries (or the equivalent) and could prove invaluable should you have a breakdown or other emergency.

Drawings by Frank Wheeler, Ann Marrow and Jan Wheeler.



It is a great relief that those ghastly rigid plastic picnic boxes no longer seem to be around quite so much as they used to be—in their place are either the lovely traditional wicker ones or, if price is a major consideration, more practical and appealing plastic versions like the soft, easy-to-carry design shown above right.

Wicker is so attractive in itself

that I think personally it is worth the extra effort required to carry it. However, it does seem to go with the sort of picnic where not a lot of walking is to be done—and certainly not to be contemplated where the whole day is to be spent on foot. A very luxurious and slightly unusual version of the traditional wicker picnic basket is the one drawn above left. Instead of being

shaped rather like a box this one is more like a cat-basket. One lid houses the stainless steel cutlery, the other the china.

The whole basket contains enough flatware and china for four people and costs £74 from Harrods of Knightsbridge, London SW1, who will dispatch it by Red Star for those living outside their delivery areas.



## A Tribute to a Truly Great Lady



For people in this world are more beloved than Her Majesty, The Queen Mother. To commemorate the 80th birthday of Her Majesty, The Queen Mother, we have produced this unique and beautiful tribute. A collection of products to use by mail order. It will give great pleasure and be a delightful reminder of our favourite First Lady. The design of the Imperial Crown and tiara is in Royal Blue and has the approval of the Queen Mother. Reverse side incorporates date. This tribute is enclosed with a rare 10-ct gold coin. The great lady. The regal qualities of this great lady. Attractively boxed, and complete with an individually signed certificate of authenticity. It represents excellent value at £4.95 each (incl. VAT, p+p, + insurance). As production is obviously limited you are advised to order now from Southern Direct Ltd., Dept. FTQ, The Counting House, New London, London, E11 7BB, Access, Barclaycard, American Express, VISA, Diners Club, or telephone London (0252) 2574. Send for free brochures on Scottish Crafts and Gourmet Foods.

## How To Earn It



GIVEN a little resourcefulness, it is perfectly possible to turn a hobby into a money-maker. Many women have even turned theirs into a flourishing small business.

Before you begin, though, do give serious thought to two important factors: first, standards and, second, costing. If you hope to make money from your hobby, it is necessary to be objectively realistic about the quality of your work, so that you can be confident of offering your potential customers good value. A useful way of assessing your output is to compare it with the standard of similar goods on the market. It is always possible that you will decide, quite impartially, that your own work is better! But if the opposite is true, polish up your hobby by attending classes or

In the second of our How to Earn It series SALLY WATTS looks at ways and means of turning a hobby to profitable account.

## Making your hobby pay

reading practical books on the subject. And when you begin selling, make up your mind to maintain the high standards you start with, even if the work does tend to be rather repetitive. Next, consider costing. Before you plump for a price, take into account not only all the materials you use—small things, too, like reels of cotton, glue, etc.—but also your overheads, which will include postage, stationery, phone calls, and of course, your time. You should allow for time spent on publicity and the business side, as well as on actual production. Let's look first at popular hobbies like knitting and sewing—if you are good and have a few imaginative ideas, work out some designs of your own, and then try to get orders for them. If you are lucky, the orders will snowball through recommendations. One woman found a good line in party T-shirts with the owner's initials on the front; another knits woolly hats, this time with the owner's name, or an emblem, worked into them.

Specialising is a good idea: say, knitwear or kaftans, nightwear or wristcoats. Begin by putting an advertisement in shop windows or in your local newspaper. Better still, try to get your designs written about on the paper's women's page. It is also sensible to put your wares on view as much as possible, at craft exhibitions or on a market stall. You could try selling to a local shop or boutique which stocks similar lines, but remember this would probably double their selling price. All this applies equally if your hobby is toy or tile making, jewellery or pottery. One potter makes mugs each of which bears a local street name, and these sell fast at Christmas. As one home-based designer, who specialises in romantic nightwear, remarked the other day: "People love to find some-

thing original at cost price." Perhaps keep-it is more in your line? Or beauty? Recently I visited a health and beauty seminar where young and not-so-young mothers were learning about face and hair care, make up and keep-fit. It was one of a popular series of half-day and whole-day seminars, run by two young housewives who had met at a centre for keep-fit activities. This gave them the idea for the seminars, they rented the accommodation, signed up professionals to take the classes. Now, one of them is also holding exercise classes, and has studied beauty and skin care. So here there are several ideas. You could organise enjoyable seminars, with experts to run each session, or learn to take keep-fit classes, or become a beautician, working in your home or that of your clients. A tip from one of the seminar organisers: by spending money on advertising when you start, you will save yourself a lot of work trying to find people who will pay to come. After that, it will grow by word of mouth.

Another tip: invest in good quality stationery. These seminars are best planned in tandem rather than singly, if you are part-timers. Antiques is another hobby with money-making potential. If you collect them, and know something about them, work up from there. Again, start with a stall on a regular basis, and try to add to your knowledge by reading and going to classes. I once met a couple who began as amateur enthusiasts, collecting bottles for a hobby. Gradually they added to their lines, and soon they were holding regular, successful auctions. They did so well that the husband gave up his profession to cope with the business, and his wife works in it part-time, and manages two children. No matter how small the operation it needs to be run in a businesslike way and now-

adays there is a great deal of help at hand for those who are starting up for the first time. There are many books on the subject, almost all of them excellent, which offer advice on all the numerous matters that the newcomer to business needs to know. One of the best of these, though, is *Earning Money at Home*, which is published by the Consumers' Association and costs £2.95. It examines a number of skills, crafts and other money-making lines, and offers advice on preparing data, organising selling parties, as well as giving basic information about tax, insurance, accounts, forming a company and so on. To help those hoping to start a business, however small, the Manpower Services Commission offers a thoroughly practical scheme which, in the South East, is run in the South East contact Clare Gregory on 01-379 7525. If you live in other areas contact your local MSC branch. Part of the excitement of a hobby is that you never know when it will become a success story. If you paint, make candles, frame pictures, make rugs, construct miniature gardens or whatever, you have the chance of earning money, provided you publicise your wares as much as possible, adhere to a good standard and, by keeping your prices reasonable, give your customers value for money.

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Le Feu de Bois







## COLLECTING



A fine collection of the early letters of novelist Virginia Woolf together with other items of Bloomsbury interest are being auctioned at Sotheby's on Monday for the benefit of The Charleston Trust, a registered charity set up to save Charleston, the home of artists Duncan Grant and Vanessa Bell.

## Bloomsbury days

By JUNE FIELD

I have lost friends, some by death, others through sheer inability to cross the street. Virginia Woolf, *The Waves*, 1931. "DEAR READER, haven't you had enough?" demanded Professor Quentin Bell in an introduction to the 1976 National Book League exhibition, *The Word and the Image VII—The Bloomsbury Group*. He was calling attention to the considerable number of memoirs, prodigious outpourings of biographies, collected letters and a deluge of critical works about the Bloomsbury Group, which had its origin in Cambridge between 1900 and 1905. Although there was never any hard and fast definition of Bloomsbury, it obviously acquired its name later through some of its members, mainly from the world of art and letters, living in or near Gordon Square, the heart of London University buildings; they met regularly "for the pleasures of human intercourse and the enjoyment of beautiful objects."

The professor, son of art critic Clive Bell (1861-1964) and painter Vanessa Bell (1879-1962), and nephew of Vanessa's sister, Virginia Woolf on whom he wrote a widely acclaimed five-volume biography, was not complaining. As the 60-year-old art historian, potter and sculptor commented, "it becomes one who has so thoroughly exploited his friends and relations to complain if there are a few kicks with the half pence." He was merely observing that Virginia Woolf, and, to a lesser extent, Bloomsbury, were growth industries, and that there could be some danger of a glut.

Mrs. Woolf, the brilliant if eccentric and novelist who drowned herself in the River Ouse near her Sussex home on March 28, 1941, was a prolific letter-writer. In the *Three Guineas* (published in 1934 by the Woolf's Hogarth Press) she expressed her philosophy: "Let us draw what all letter writers instinctively draw, a sketch of the person to whom the letter is addressed. Without someone warm and breathing on the other side of the page, letters are worthless."

A particularly fine cache of Woolf and Bloomsbury correspondence is in a sale at Sotheby's on Monday, where 130 lots have been donated from various sources to be sold for the benefit of The Charleston Trust, a registered charity set up to save the intriguing, but quite simple, 18th century Sussex farmhouse of Vanessa and painter Duncan Grant, who died in 1978 at the age of 93.

Much has been written of Charleston, both of its unorthodox menage, and its decor (Duncan, Vanessa and author David Garnett painted every available surface, wall and furniture), which Virginia found for her sister in 1918 on one of her walks over the Downs: "It has a charming garden, with a pond and fruit trees and vegetables, all now rather wild, but you could make it lovely."

An escape from war-time London for many of the Bloomsbury group, it became a refuge from his work at the Treasury for economist Maynard Keynes, and Lytton Strachey stayed there and worked on *Eminent Victorians*. This weekend and next it is open for the first time to the public, by appointment only. To make a reservation for next Saturday or Sunday, a donation of a minimum £5 should be sent to Deborah Gage, The Charleston Trust, 33 Palace Gardens, Terrace, London W8 (01-229 0429), who will also provide a free leaflet on the aims of the trust.

Some £350,000 is needed to restore and purchase the house, with its painted interiors (it still belongs to the Gage estate), more if it goes to the National Trust with an endowment. Miss

Gage told me that she is hoping that someone will come forward to secure the Charleston papers for the nation. "They could then be handed over to Kings College, Cambridge, where they have been well looked after until now, or alternatively, enhance the collection at The British Library, or some go back to Charleston for the library and study centre it is hoped to establish there."

Among the fascinating material for sale at Sotheby's is a series of nearly 700 of Duncan's autograph letters to "Darling Nissa," and there are 500 between painter Roger Fry and her. There is also an early series of 21 autographed letters from Virginia to her adored elder brother Thoby Stephens, who died from typhoid in 1906.

Many of the items come from Quentin Bell, including a series of 45 letters from his aunt, one of which urges him to develop his talents for writing rather than painting. "If you can write as well as that, with such abandonment to devility and ribaldry... surely you must see the infinite superiority of the language to the paint!"

For further Bloomsburyana, the catalogue of the Duncan Grant, designer exhibition, held at the Bluecoat Gallery, School Lane, Liverpool in February (and later at the Brighton Museum), is still available for £2 post free from the gallery director Mr. Bryan Biggs; and there is an exhibition of watercolours done at Charleston by Vanessa's daughter, who married David Garnett, at the Southover Gallery, 7 Southover High Street, Lewes, Sussex, until next Saturday. Mrs. Garnett is also selling her pictures to add to the fund, and if you want to drink and dance all night at the Charleston Ball at Layer Marney Tower on August 30, tickets are £20 including dinner and breakfast from Mr. Angus Gibson, 25 Redcliffe Square, London, SW10.

## Memory games

## CHESS

LEONARD BARDEN

CLUB PLAYERS who enjoy gambit chess are often unreasonably deterred from suitable openings by published assessments from grandmaster tournaments. Professionals play and analyse a variation or system constantly and so become familiar with all its nuances, traps and transpositions. In lower-grade games memories are more fallible. Going by the book in a sharp and complex line where one is defending against tactical threats can easily result in getting the move order wrong or making an oversight. This danger also applies to the gambiteer, but even if his knowledge is as hazy as his opponent's he has the double advantage of the initiative and of being more familiar with the ideas and themes of his preferred choice.

A case in point where master analysis virtually killed off a once-popular sacrifice in club play is the Marshall Gambit played by the Marshall. Tal intended 16 Q-N3 (though Harding's book shows that, too, favours Black) but "forgot."

Waiting with the next queen check until White has blocked his own escape square at Q2.

23 B-Q2, Q-R6 ch; 24 K-N1 (or 24 K-K2, R-K1 ch; 25 N-Q3, Q-B4 ch), R-B3; 25 N-R4, P-B6; 26 Nxf, Rxf; 27 B-K3, B-R7 ch; 28 Resigns.

B-KB4; 18 BxN, PxR; 19 R-K3, QR-K1; 20 N-B3 (the point of the defence, hoping for 20... Rxf? 21 PxR), B-B5!

A typical Marshall sacrifice to open up the king. If now 21 Rxf, Rxf; 22 BxR, QxN; 23 Bxf, B-K5.

21 PxR, B-R6; 22 Resigns. If 22 Q-K2, Q-N5 ch mates. White: M. Tal. Black: V. Arbakov.

Opening: Ruy Lopez, Marshall (Moscow speed championship 1979).

(Moves 1-11 as above) 12 BxN, PxR; 13 P-Q4, B-Q3; 14 R-K3, Q-R5; 15 P-QR3, P-B4; 16 N-Q2?

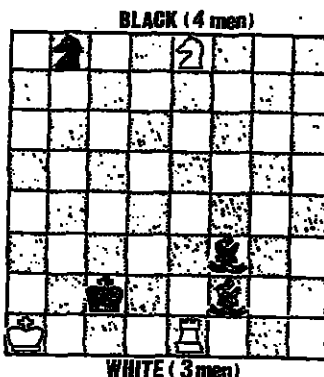
An example of how the grandmaster as much as the amateur is liable to crossed calculation wires in the Marshall. Tal intended 16 Q-N3 (though Harding's book shows that, too, favours Black) but "forgot."

16... P-B5; 17 N-B3, Q-R4; 18 R-K1, Bxf; 19 PxR, QxRf; 20 N-N5, Q-R5; 21 N-B3, Q-N5 ch; 22 R-B1, Q-R4!

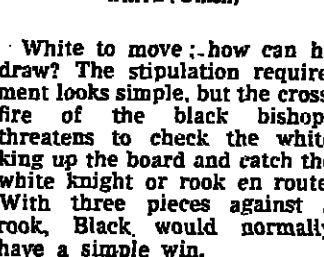
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## POSITION NO. 329



BLACK (4 men)

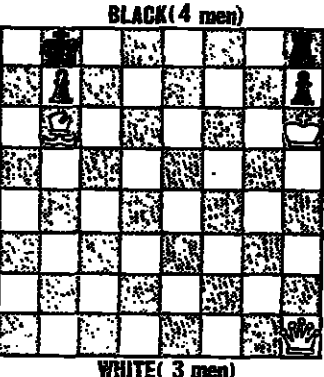


WHITE (3 men)

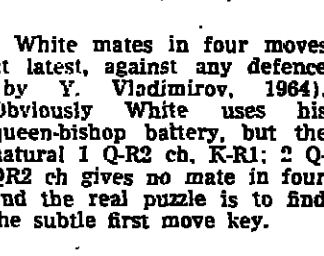
White to move... how can he draw? The stipulation requirement looks simple, but the crossfire of the black bishops threatens to check the white king up the board and catch the white knight or rook en route.

With three pieces against a rook, Black would normally have a simple win.

## PROBLEM NO. 329



BLACK (4 men)



WHITE (3 men)

White mates in four moves at latest, against any defence (by Y. Vladimirov, 1964). Obviously White uses his queen-bishop battery, but the natural 1 Q-R2 ch, K-R1; 2 Q-Q2 ch gives no mate in four and the real puzzle is to find the subtle first move key.

Solutions Page 12

## BRIDGE

E. P. C. COTTER

If counting is important to the declarer, it is doubly so to the defenders. Let me describe two hands from rubber bridge in each of which failure to count allowed the declarer to make a contract which might have been defeated. Here is the first:

N		E	
♠ 6 3	♥ A Q 10 6	♠ 7 4 2	♥ 9 8 5
♦ J 7 2	♣ A 4 3	♦ A 8 7 2	♣ K 9 4
♠ 9 8 5	♥ 7 4 2	♦ 9 4	♣ A Q 10 5 3
♠ J 10 7 2	♥ 9 5	♦ 10 5	♣ 8 6
♠ 10 5	♥ K J 3	♦ K 8 6	♣ A K 8 6

With North-South vulnerable South dealt and bid one no trump, and North's raise to three no trumps concluded the auction. West led the two of spades, dummy played the three, East the nine, finessing against dummy, and the Queen won. The declarer cashed four heart tricks, forcing West to discard a diamond, while East unwisely threw a club, thus made Ace and Queen of clubs, and East's failure to follow suit showed that South's fourth club was not a winner. East, marked

with five diamonds, was more likely to hold the Ace, so South played a diamond from the table. East put up his Ace, continued with King and another spade, setting up three more defensive tricks, but declarer's contract was safe.

An East who counts, adding his 9 points to dummy's 10 and declarer's announced minimum of 16, should reason that West's possible 5 points must include the spade Ace for there to be any hope of beating the contract, so he plays his King. When this holds, he realises that if West also holds four clubs to the Knave, there is a chance of success, but not by continuing spades. At trick two he switches to the diamond ten, and declarer wins with the King. South can win eight tricks, but when West gets in, he returns a diamond and defeats the contract.

The declarer, of course, would do better to duck the diamond Queen, but that is another story!

In the second example South dealt at game all:

N		E	
♠ 8 5 4	♥ 10 7 4 3	♠ 9 6 3	♥ 6 2
♦ 7 4 2	♣ K 8 3	♦ 8 5	♣ K 10 5
♠ 10 7 2	♥ J 9 6 3	♦ Q 8 6 3	♣ A 10 4 2
♠ 8 5	♥ 6 2	♦ Q J 9 7	♣ A 10 4 2
♠ 10 7 2	♥ J 9 6 3	♦ 8 5	♣ K 10 5
♠ 8 5	♥ 6 2	♦ Q J 9 7	♣ A 10 4 2

South bid two clubs on his 34 points, and after North's negative two diamonds rebid two hearts, North raised to three hearts, and South went four.

West's club Queen was covered by King and Ace, the two was returned to the nine, and South ruffed the third club with the heart Knave—this was important. After drawing the trumps in two rounds and cashing the three top spades, declarer crossed to the ten of hearts, and returned the diamond two. When East played low, South finessed the nine, West took with the Queen, and was endplayed. Whatever he returned, South was bound to make ten tricks.

East failed to rise to the occasion. Simple addition was all that was needed. He knew that declarer had three spades, five hearts, and two clubs. He must, therefore, have three diamonds. If he held Ace, Knave and a third card smaller than the seven, there was no way in which he could make the contract. But if, as was actually the case, he held Ace, Knave, nine, he had a standard throw in position by playing the low card. East could have destroyed this endplay by rising with his diamond King. The declarer has to take, and now the tables are turned—South is the victim of the endplay.

## A rare birthday tribute

## STAMPS

JAMES MACKAY

IN THESE rather depressed times there is nothing like a royal event for giving a boost to lagging public morale. The celebration of the 80th birthday of Her Majesty Queen Elizabeth the Queen Mother will have, for many people, more significance than the Silver Jubilee three years ago. In celebrating her birthday, people will not only be paying tribute to a lady whose endearing personality, and gracious and infectious smile, have made her beloved and popular throughout the world, but also remembering the good times—and the bad—spanning the entire period of the present century.

The British Post Office is to issue a 12p stamp on August 4, the actual birthday. This is the first time that such a stamp has been released in Britain, though the tradition goes back quite a long way in some Commonwealth countries. As far back as 1898 the Canadian Post Office planned to introduce a stamp celebrating imperial penny postage on November 9, and Queen Victoria was duly informed that a stamp was to be issued on the Prince's birthday. Always jealous of her prerogative, she queried this and asked which Prince was to be thus honoured. The astute courier



Britain's Birthday Stamp

had the presence of mind to reply: "Why, Ma'am, the Prince of Peace." The word "Xmas" was added to the design and the issue delayed until December 7.

Newfoundland issued a stamp in April 1947 in honour of the 21st birthday of Princess Elizabeth, and the same country had the honour of being the first to issue a stamp portraying the Queen Mother. A 7c value was added to the definitive series in 1932 and bore the portrait of the then Duchess of York. In 1933, as Queen Elizabeth, she appeared on the Newfoundland 3c, wearing a tiara. Along with other designs in the series, this stamp was slightly redrawn in 1941 and continued in use until 1949 when Newfoundland joined the Confederation of Canada and its distinctive stamps were withdrawn.

The most prolific issues of definitive stamps portraying the Queen Mother came from Australia. The 1937 series portrayed her, in a tiara and evening gown, on the penny, but the large 5s denomination depicted her full-length in her coronation robes, while the £1 stamp showed King George and Queen Elizabeth in their coronation regalia. New designs incorporating the tiara portrait were issued for 1d and 2d stamps issued in 1950-51.

The coronation of King George VI was celebrated in May, 1917 by stamps throughout the Commonwealth and over 150 of them included a full-face portrait of his consort. Two years later the King and Queen visited North America and both Canada and Newfoundland issued stamps which included the Queen's portrait. In 1946 New Zealand produced a lengthy series celebrating the return to peace and chose a charming portrait of the Royal Family for the 2d stamp. The following year the Royal Family visited southern Africa and each of the countries in that area issued stamps in honour of the occasion. The three High Commission territories—Basutoland (now Lesotho), Bechuanaland (now Botswana) and Swaziland—had uniform designs, showing the King and Queen on the 2d and the entire Royal Family on the 1s. Similar portraits of their Majesties were featured on a 2d stamp from South Africa and a 1d stamp from Southern Rhodesia. The latter country belatedly celebrated the end of World War II in May, 1947 with a set of four, 2d, 1s, 10d and 5d stamps, a different member of the Royal Family. Queen Elizabeth was depicted on the 1d denomination.

King George and Queen Elizabeth bid two clubs on his 34 points, and after North's negative two diamonds rebid two hearts, North raised to three hearts, and South went four.

West's club Queen was covered by King and Ace, the two was returned to the nine, and South ruffed the third club with the heart Knave—this was important. After drawing the trumps in two rounds and cashing the three top spades, declarer crossed to the ten of hearts, and returned the diamond two. When East played low, South finessed the nine, West took with the Queen, and was endplayed. Whatever he returned, South was bound to make ten tricks.

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West's club Queen was covered by King and Ace, the two was returned to the nine, and South ruffed the third club with the heart Knave—this was important. After drawing the trumps in two rounds and cashing the three top spades, declarer crossed to the ten of hearts, and returned the diamond two. When East played low, South finessed the nine, West took with the Queen, and was endplayed. Whatever he returned, South was bound to make ten tricks.

East failed to rise to the occasion. Simple addition was all that was needed. He knew that declarer had three spades, five hearts, and two clubs. He must, therefore, have three diamonds. If he held Ace, Knave and a third card smaller than the seven, there was no way in which he could make the contract. But if, as was actually the case, he held Ace, Knave, nine, he had a standard throw in position by playing the low card. East could have destroyed this endplay by rising with his diamond King. The declarer has to take, and now the tables are turned—South is the victim of the endplay.

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## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London FSA. Telex: 8954871

Telephone: 01-248 8000

Saturday July 19 1980

## The two faces of recession

FIRST the good news—inflation is now unmistakably past its peak. Interest rates are set firmly on a downward course, the FT-Actuaries All Share Index has hit a new all-time high and the balance of payments seems to have swung out of deficit much more quickly than the Treasury or most other forecasters had expected. The firm indications of all these favourable trends which have appeared in the past few days' economic statistics, might have made this a vintage week for the Government and its supporters.

## Unemployment

But it is not easy for Treasury ministers to claim full credit for these agreeable developments, or even to express much satisfaction with the way the economy is moving. For, however bright the silver linings which the financial markets can discern, the proverbial man on the Clapham omnibus is saying nothing of the redundant worker in the Midlands who built the bus—becoming increasingly conscious of the dark clouds of recession gathering all around him.

The worst of the month's bad news will come on Tuesday, when the unemployment figures hit the headlines with a new post-war record of roughly 1.8m jobless. This week's announcement that manufacturing output fell by 8 per cent in the 12 months up to the early summer and is now 3 per cent below the average level of 1975, tells an even more important, though less dramatically human story. The costs in lost output of the battle against inflation are proving just as formidable as those of more tangible kinds of warfare. The Government never pretended that the reduction of inflation was going to be painless, but over the coming year, as inflation is seen to retreat, while the nation's output losses become more apparent, pressure is going to mount on the Government to contain the damage.

## Argument

The Chancellor's statement on Tuesday that the discovery of North Sea oil makes a decline in manufacturing employment inevitable, because it is only through a high exchange rate and an improvement in the terms of trade that Britain can benefit from its North Sea riches, is hardly likely to satisfy the hundreds of thousands of jobless and the thousands of manufacturing employers who are now bearing the full burden of the economy's structural transformation. While the Chancellor's argument is logically sound, those who fall by the wayside as the British economy adjusts itself to North Sea oil will be justified in their grievances. For the speed of the adjustment and the severity of the dislocation have been needlessly increased over the past

three years by both the present Chancellor and his predecessor failing to recognise the new requirements for fiscal responsibility which North Sea oil imposed.

In fact, the punishment which manufacturing industry is now taking has less to do with North Sea oil than with misjudgments in fiscal policy, technical failures in monetary control and the destructive effects of irresponsible pay bargaining. The Government cannot simply wash its hands of any responsibility for the decline of manufacturing industry. It is also needlessly alarmist to suggest this decline is an inevitable consequence of the iron laws of economics.

Fortunately the major policy disturbances are now behind us. Monetary and fiscal policy are now in reasonable balance, so there is a good prospect that interest rates will be able to fall over the coming year, encouraging capital outflows and perhaps a decline in sterling. There is unlikely to be another disruption in the tax system like the near-doubling of value added tax which, at a stroke, added four per cent to the retail price index.

## Strategy

This more stable background could yet provide the conditions for the industrial revival that the Chancellor has not dared to anticipate, but which investors seem to be hoping for, if the behaviour of the equity market is anything to go by. A fall in interest rates will certainly improve the industrial sector's profitability and shift at least some of the burdens of the recession on to the sturdier shoulders of the banks. Even if declining interest rates do nothing to ease the competitive pressure from the seemingly over-valued exchange rate, they should eventually lead to a recovery in both investment and in consumer spending.

Meanwhile adherence to the monetary strategy and the continuing high level of unemployment will maintain the pressure on both unions and management to raise productivity and settle at realistic wage rates.

The level of unemployment in British industry is still so high that it would be quite possible for manufacturing to start recovering at a healthy rate while still shedding labour.

This would produce the long-term structural shifts in the economy postulated in the argument that deindustrialisation is desirable, without reducing industrial output. But the other side of this coin is that unemployment could go on rising, even after industrial output begins to recover. Almost irrespective of what happens to the economy, unemployment is going to present the Government with a profound social and political dilemma.



MY EXPERIENCE has been that politicians on balance do farming more harm than the weather, but this year the latter is running them close. The climate since March has had most of British farming teetering on the edge of disaster, almost playing cat and mouse with it.

The mild winter lulled us into a sort of security and then we suffered a drought which lasted for most of April and May. This restricted germination of many crops, and the development of those which had already done so. Grass became very short; hay and silage crops were so light that next winter's forage prospects looked very grim. And then at the end of May it began to rain, and rain and rain. The pastures have recovered, the cereal crops have thickened out.

But this has been the worst haymaking for many years. All over this country the fields are full of blackened and ruined hay. So while the immediate feed prospects are good there is absolutely no hope that the barns can be filled with winter feed.

The prospects for cereal crops are still very mixed. There has been little physical damage for, in spite of the rain, few crops have been beaten down.

Traditional experience is that very cool sunless summers (and this latterly has certainly been the case) do not lead to heavy yields. Warm sunshine is needed for maturing all crops, there is nothing more tasteless than fruit grown without sun.

The cure for all this misery is simple: six weeks of sunshine starting today.



"YOU BRITISH may have problems," said a Californian sports buff of my acquaintance, "but you sure can run a tennis tournament." We were standing outside No. 1 Court at the All England Lawn Tennis and Croquet Club, admiring an Amazon in a skinning-pink dress.

Curiously enough, it wasn't raining. Luckily, though, the 1980 Wimbledon championships escaped virtually unscathed from the appalling weather. Despite fairly steep price increases, and much rain-

though not so wet." He adds that the whole of April and May were unusually dry and sunny, with some very warm weather end-May and early June.

But for the past month London, the Low Countries and North-east France have formed one of a number of "cold spots" on the earth's surface, with temperatures 2.4 degrees C. below average. However, the summer of 1987 was "a lot colder than this and just as wet," says Mr. Houghton. It was about 3 degrees C. below average. Even the summer of 1978 was 2.2 degrees C. below average over a good part of England.

If it is any comfort, this congested corner of Europe has not been alone in its misery. Other "cold spots" have been afflicting the White Sea region and a belt along the north coast of the USSR.

Iceland and north-east Greenland have been having a heatwave. So has Texas. A belt of unusually warm weather extends

interrupted play, the 1980 Wimbledon fortnight attracted a total attendance of 333,764, only marginally down on the record 343,081 of 1979. "Not a single paying customer asked for a refund as a result of the rain," says a Wimbledon official.

Cricket has fared less brightly, but then the people who run it are grim men who budget for the worst. The three Test matches played so far against the West Indies all struggled to five full days, though takings were down. The Trent Bridge Test pulled in £154,000 at the gate. The Lord's Test raised £292,000, and the Test at Old Trafford £170,000. If the weather had been kinder, says the Test and County Cricket Board, total takings to date might have been £100,000 higher.

Racing has suffered in patches, but Royal Ascot was up to its usual form. Henley was muddy—but happened. And the Horse of the Year Show at Wembley is packing them in to the rafters—but then it is under lights.

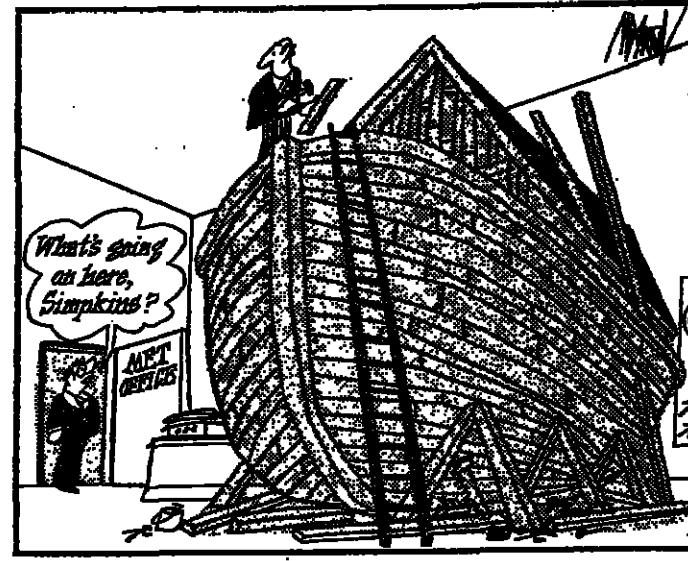
Even the bookmakers are not their customary lugubrious selves. "With their small fields and hard going, July and August are usually bad for the bookies," said Ladbroke's this week. "But when the weather's in and out, when the form's turned upside down, we do all right." Now wouldn't you have guessed it?

40	Combined Inc. \$1	120	1
40	Comm. Union	120	1
40	Eagle Star	120	1
40	21st Cn. Inc.	120	1
40	THE MARKETS	120	1

"SELL IN May and go away" is the time-honoured seasonal advice given to stock market investors. But in this rain-drenched summer share buyers seem to have been adopting a new motto: "Come back soon and buy in June."

Some of the more cynical stock market observers suggest that one reason for the upsurge in share prices has been that stockbrokers and fund managers have been forced to stay in the office rather than scattering their normal summer pursuits at Royal Ascot, Wimbledon or the Lord's Test match. However that may be, the FT 30-Share Index has put on some 90 points since bottoming on June 2—just a day or two after the rains began.

Elsewhere in the City the wet weather has had a more direct impact. It has brought booming business, for example, to Eagle Star's specialist "Pluvius" underwriter. Mr. Peter Chase, who reckons his premiums are up by around a third compared



with this time last year.

An early summer spell of wet weather is just what is needed to send organisers of open-air events to their insurance brokers. "In the first week of September this wouldn't have done us much good," says Mr. Chase. "It's true we are having to pay out more than normal—but it does our business good in the long run."

Commodity markets also keep an eye open for rain, but they usually look further afield than just the UK. With sugar, for instance, European supplies are dominated by Continental producers and anyway there is an active worldwide market.

But the action of the rain in gorging previously parched root crops is clearly reflected in the potato futures market, where the November position was first quoted at £52 a ton a month ago but has now slid to £40. The bulls are left to suggest that all the cold, wet weather could cause quality problems.

But the good news for a company like Fox Umbrella Frames does not seem to have percolated through into share prices. Fox's parent company, aptly named Rain Engineering, has missed out in the stock market rally.



CLEAR APPROACH roads, empty car parks and silent tills. That has been the story in Britain's seaside resorts during recent weeks. Just as the season should be moving into full swing the weather has kept the impulse market—the day trippers—firmly tied to domestic

from Libya and Egypt through the Caspian Sea, across Asia to Korea.

The fact that Washington State in the west of the U.S. is another "cold spot" should delude no-one into trying to couple London's bad weather with the Mount St. Helens volcano. The Met. Office admits that although it is downstream of the volcano, at 6,000 miles range it has scarcely been able to detect traces of dust. Even the vivid sunsets it was predicting after the first big eruption, as a consequence of optical interference effects from the dust, failed to materialise.

The fact is, that, though many people would like to connect spectacular events such as volcanic eruptions and atmospheric nuclear explosions with bad weather, the releases of energy involved are puny compared with the energy needed to drive the world weather machine.

But the Met. Office believes that it has

found a strong connection between Europe's bad weather and the sea surface temperature in the tropics. Its scientists find that certain patterns of cold and warm water in the mid-Atlantic and mid-Pacific Oceans, when keyed into their computer model of the weather, will "generate" bad weather in Europe. Before the end of the year, says Mr. Houghton, they hope to be able to say whether the actual sea surface temperature measurements being made in the tropics this summer correlate closely with July's dismal weather in north-east Europe.

Not that there is a thing the Met. Office or anyone else can do about it, of course. But the Met. Office has received few complaints of commercial activities suffering from the unseasonably cold weather. And as David Houghton points out, the cold has protected the English strawberry crop from the mildew which usually afflicts it in wet weather.



MANUFACTURERS AND retailers of umbrellas are among the few who have found a silver lining behind the clouds. Like many consumer industries earlier this year they had been badly affected by a fall in demand for their products.

Mr. Steward Schaverien, of Sol Schaverien, a London-based umbrella manufacturing company, said: "Sales were very depressed between March and May and we were thinking of laying-off about one third of the 80-odd staff. Then the bad weather started and since then we have been working to capacity. We now have enough business to take us up to October. Mr. Schaverien, whose company produces about 1m umbrellas a year said the public, buying out of necessity were still very price conscious and concentrating on the cheaper products.

However, at the top end of the market T. Fox and Co. specialist umbrella makers, are reporting "very very good business" for their hand-made umbrellas which, for men range in price up to £200.

Raincoats, too, are selling well. Harvey Nichols, the Knightsbridge store, which is holding a sale at present, said: "Rainwear—including coats and umbrellas—is literally walking out of the door. Coats were selling well before the sale but are now being snapped up." Demand for umbrellas has been so great that the store has re-ordered supplies for this year from its UK manufacturer which can supply more quickly than foreign manufacturers.

Retailers in general are reporting that the poor weather cut sales of summer dresses, mainly in the area of impulse buying. The peak time for summer purchases is between March and May with demand later in the year affected only by extremes of weather, such as a particularly hot spell, and by people suddenly deciding to go abroad for their holidays.

Marks and Spencer, Britain's biggest clothes retailer, said: "We have reached the end of our summer season and our summer merchandise is being reduced in price. People do not normally buy summer clothes now; swim-wear for example has a high sales period in February when the new styles come into the shops."

Other stores which are holding sales say that customers are

## Contributors:

David Fishlock  
John Cherrington  
M. Thompson-Noel  
Barry Riley  
Arthur Sandles  
Lisa Wood  
David Churchill

showing the last minute summer sales bargains and choosing knitwear, separates and coats—for the winter.



ICE CREAM manufacturers are currently licking their wounds over an estimated 20 per cent dip in sales so far this summer. And Britain's brewers are equally concerned because the wet weather is not driving people to drink. Ice cream and beer are perhaps the most significant among a number of food and drink products which rely on a sunny summer, to boost sales.

The ice cream industry has fond memories of the glorious summer of 1976 when a record 312m litres of ice cream were consumed. Since then, a succession of poor summers has left volume sales significantly lower—275m litres in 1977, 295m in 1978, and 291m last year, when there was a rise in VAT.

So sensitive are ice cream sales to the effects of the weather that over the past two decades the major manufacturers have developed formulae to take account of the weather. The crucial selling period is the 10 weeks between June and mid-August when a 1 degree Fahrenheit variation in temperature above or below the seasonal norm will lead to a fluctuation in sales of about 7 per cent.

The brewing industry also has happy memories of the summer of 1976, when many pubs ran dry as brewers could not keep up with demand. The long hot summer was also significant in giving a massive boost to lager sales, which now account for almost a third of all beer sold, compared to a fifth in 1975.

Good summer weather encourages people to go out for a pint to slake their thirst. But wet weather does not, apparently, boost the sales of heart-warming spirits.

## Letters to the Editor

## Fodens

From Mr. R. Oakeshott

Sir,—From John Griffiths' article (July 16) it looks as if productivity levels rather than a collapsing market are behind the melancholy receivership at Fodens. For Mr. Bill Foden, the deputy chairman is quoted as saying that if 60-70 trucks could be produced per week "the company would be making an annual profit of £5m." He is further quoted as saying that "the difference between success and failure is now 5 per cent. The arithmetic may be a little rough and ready because we are also told that the current production is only 50 trucks per week. But that is a detail.

The main point is rather different. If the real problem at Fodens would indeed be solved by a modest increase in productivity levels then this is surely a classic case for attempting to introduce worker ownership, to convert Fodens into a worker owned co-operative. For there is now overwhelming evidence that in a genuine worker owned co-op, productivity levels are significantly higher, other things being equal, than they are in a conventional capitalist business. The experience of those plywood co-operatives in the Pacific North West of the U.S. has now consistently demonstrated that truth over almost two generations. So, across a more diverse range of products, has the experience of the successful worker-owned co-ops centred on Mondragon in the Basque provinces of Spain. In the case of the plywood co-ops the U.S. tax authorities have indeed recognised that 25 per cent higher productivity levels are normal.

Of course the facts may not be as reported. That would need to be established. But if they are, then it seems to me that the company's present employees, management and shopfloor alike, should be encouraged and helped to find a solution by means of a conversion into a worker-owned business. Fundamentally the existing workforce would buy the company over

time through a combination of capital contributions from personal savings, profit shares and deductions from wages. What would be needed would be an enlightened non-government financial partner to enable this gradual acquisition to take place through injecting whatever capital was necessary for the duration of the acquisition process.

Is this sort of perspective fanciful? What is true is there is now a fairly positive climate in favour of worker-owned businesses in this country. Only recently Sir Keith Joseph spoke out in support of them. What is also true is that there is now a body of knowledge, based on real experience elsewhere, which can tell us which forms of co-operative ownership are most likely to succeed. Thirdly we are now seeing quite startling changes in traditional shopfloor attitudes.

All of this suggests that a worker ownership solution at Fodens may not be totally unrealistic. At the very least it should be one of the solutions explored by the managers. Even better, the Co-operative Development Agency and the Co-operative Bank should be galvanised into investigating the possibility as a matter of urgency.

Robert Oakeshott,  
42-44 Hanway Street, W1

## Sri Lanka

From the High Commissioner For Sri Lanka

Sir,—Your paper of July 17 carries a report of the declaration of a state of emergency in Sri Lanka, connected with planned strike action by certain trade unions. There is an important aspect of this matter which is not reflected in that report, and for which I seek the favour of appropriate publicity. Contrary to British experience, where a political Labour Party grew out of an established trade union movement, trade unions in Sri Lanka were a creation in the 1930s of certain political parties, intended

to serve as an instrument of the then struggle for liberation from colonial domination.

It was perhaps inevitable that these parties should seek to exploit this relationship in the post-independence period also, for essentially political purposes. The voting public of our country however, has categorically repudiated that intent. At the last general elections in 1977, at country-wide local elections in 1979 and at each of four by-elections during the present Parliament, these parties failed to win a single seat, losing the majority of their deposits, with total polls averaging around 82 per cent.

Faced with this definitive democratic rejection, these parties have openly called upon their trade union allies to act to overthrow the duly elected Government, which won 51 per cent of the total poll and now holds 145 of 168 seats in Parliament. The current strike call is based on a salary demand even though the President and senior Cabinet Ministers have already announced impending salary increases. I believe the essentially fair-minded British public and all responsible elements in the British trade union movement would readily agree that a duly elected Sri Lankan Government could no more permit the subversion of the democratic process through misuse of legitimate trade union rights than a duly elected British Government could or would.

Finally, it should be stated that the present Government of H.E. President J.R. Jayawardene won its unprecedented electoral mandate in 1977 mainly upon its pledge to restore and secure for the future the democratic process in Sri Lanka which had been seriously eroded under the previous administration. If it were now to permit democracy in Sri Lanka to be subverted by political elements who stand thoroughly repudiated by the electorate, it would have failed the people of Sri Lanka even more damagingly than that pre-

vious democratically repudiated administration.

N. Wimalaseena,  
High Commissioner of the Democratic Socialist Republic of Sri Lanka,  
12, Hyde Park Gardens, W2.

## Judgments

From Mr. M. Bennett

Sir,—It is amusing to note the sense of outrage felt by Mr. R. W. G. Penn (July 15) as a result of his reading in the F.T. article by Robin Lane Fox that Sissinghurst is "the best garden in the world." Mr. Penn asks "What kind of criteria is he using—the whole subject is prone to doubtful value judgments, better just say it is good or even remarkable, otherwise say nothing."

Earlier in his letter Mr. Penn writes: "There are quite a number of other gardens in Britain which are better (than Sissinghurst) or at least as good," and he continues by giving some examples. How strange that Mr. Penn considers his "doubtful value judgments" are worthy of the F.T. but those of Mr. Lane Fox, being mere expressions of "pseudo-patriotism" and "myopic fancy," are not! M. C. Bennett,  
24, Braemar Road,  
Snickmore, Cheshire.

## Metrication

From Mr. R. Knight

Sir,—If it were not so serious, Mr. Stewart's letter (July 18) would be pure Alice in Wonderland! What qualification, pray, does vice chairman of the Historic Buildings Committee of Greater London Council bestow upon Mr. Stewart to propound upon such an important aspect of modern technology as metrication? The country has no money except that which it earns, principally by export, and industry, not the G.L.C., is the currency earner for Great Britain. Exporting demands compliance with international standards, and consequently the international system of

units. Virtually the entire industrial world is committed to the international system, not just the EEC.

The engineering industries' metrication programme may cost £1.5bn to complete. But, the cost of the "million" of dual working and stockholding costs industry, and thus every man woman and child, £1.1bn per year!

Industry not only exports, but supplies the domestic market. The domestic consumer must accept with whatever good grace he can muster the conversion to metric working. Otherwise, we will consign to our children a country needlessly impoverished, basking in ostrich-like isolation.

R. E. Knight,  
(past Chairman)  
Conference of Engineering Trade Associations,  
37, Castle Street,  
Guildford Surrey.

## Energy

From The Head,  
Consumer Policy Unit,  
National Consumer Council

Sir,—I am sorry that Samuel Brittan (Lombard, July 14), should place such emphasis on putting up energy prices as a means of saving energy. In particular, he does not appear to discriminate between different types of energy, yet one of the major medium-term problems we face is the difficulty users have in finding substitutes for one particular type of energy—fuel for motor vehicles. As we have seen in this country, a very remarkable increase in the real price of petrol in the last 12 months has not led to a reduction in petrol consumption, in fact, it has gone up slightly.

Nor do increases in prices for fuels for domestic heating necessarily lead to reduced use or savings. Increased prices may give consumers an incentive to save, but they do not confer on them the means to would impose unnecessary hardship on the poorest members of do so. Many consumers, who

already find it difficult to afford adequate standards of warmth, may prefer to cut down on other expenditure than on fuel bills, and they may simply lack the capital and the know-how to reduce their energy consumption by investment in insulation and more efficient heating equipment.

We at the National Consumer Council do not wish to argue for energy prices that are unrealistically low. Motor vehicles must pay for the external costs they impose on society generally and taxing motor fuel is the best way of ensuring that they do so. The price of gas should reflect the long-term costs of investment to continue to satisfy demand.

But it seems absurd to argue for energy prices that are unnecessarily high. That would lead to wasteful investment in unnecessary supply; a point we may well be on the way to reaching with electricity generation in this country. And that our society, who already spend a higher proportion of their incomes on heating their homes than the better-off do.

What is needed is a determined effort to give consumers, domestic and industrial, the means, know-how and incentives to use energy more efficiently. In the short-term we need a major investment in improving the insulation of domestic homes and domestic water heating systems. In the long term we must measure the value for money we get from investment in energy supply against the value for money of equivalent investment in energy efficiency and conservation. Because the monopolistic and oligopolistic energy supply industries have so much more power in the market place than the much more diffuse energy efficiency industry, government must take a lead to see that when investment in energy efficiency would give the better value for money, the investment is actually made in practice.

Maurice Tealy,  
National Consumer Unit,  
18, Queen Anne's Gate, SW1.

## The secret of Tamdhu.

Tamdhu, distilled in the Golden Triangle area of malt distilleries, is a premium Speyside malt whisky which has that freshness that is so reminiscent of the Highlands.

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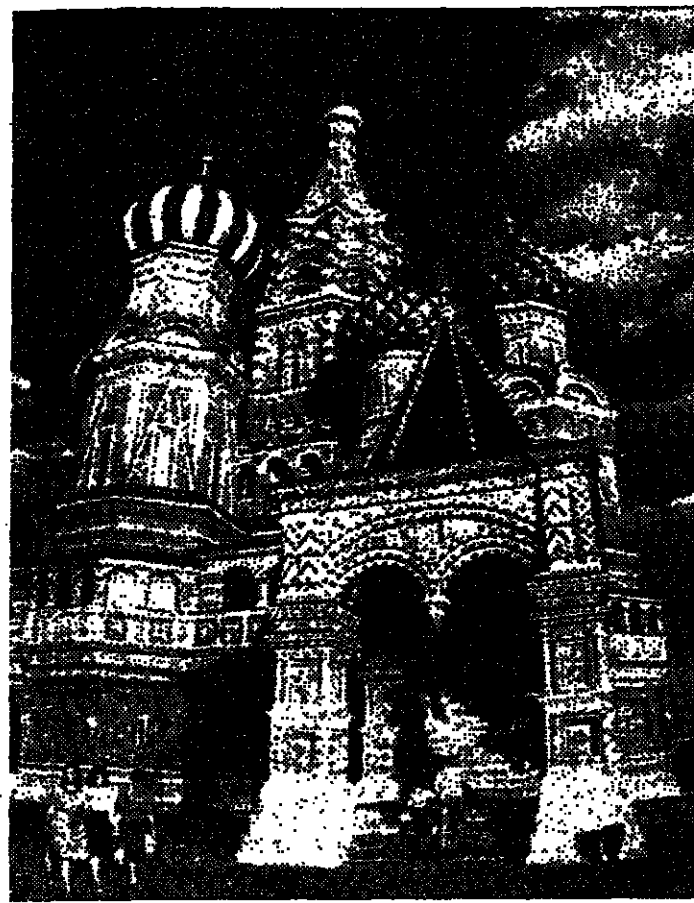


مكزامن الأصيل



AN OLYMPIAN VIEW OF THE MOSCOW GAMES STARTING TODAY • BY DAVID SATTER

# Russia through the looking glass



The regilded and renewed St. Basil's Cathedral in Moscow: a facade for foreign visitors.

bureaucratic revenge at the hands of the State apparatus which affects every part of their life, if they refuse.

The ritualism in the society is also manifested in "Socialist competitions" which take place at every work place and involve pledges by the workers to increase production or reduce tardiness and so-called "Leninist inventories" among young adults

eagerness to discuss these practices, none can afford—in a conversation with a foreigner or even an unknown Soviet citizen—to belittle their significance. The ritual reflects the ideology which is the ultimate justification for Soviet power.

In a situation of ritual adherence to an ideology which has been deprived of substance a special role is created for the use of "hints." Mr. Naum Meiman, the acting head of the dissident Helsinki Monitoring Group, was puzzled one morning last September, to be called to his neighbourhood party organisation to discuss his long-standing application to emigrate.

Emigration matters would normally have been handled by the Soviet Visa Office. But Mr. Meiman went to the local party headquarters nonetheless where the chairman of the party committee spoke to him about his dissident activities and said, "as a resident of our area, we strongly and persistently advise you to change your behaviour."

To a Soviet citizen, the message was clear. If Mr. Meiman did not cease his dissident activities, he might soon cease to be a resident of the local chairman's area, which would mean that he could be exiled from Moscow. If a foreigner were to inquire about the conversation, however, a Soviet official would describe the talk as a friendly conversation with no implicit threat.

The Soviet penchant for advertising what is meaningless and concealing what is important can deepen the psychological distance between westerners and Soviet citizens by depriving words of their meaning. This is reflected in a wide variety of situations from Soviet claims to have been "invited" into Afghanistan to the behaviour of the women who manage the cafe next door to my office. They shut the

doors when they feel like gossiping and hang up a sign reading "closed for technical reasons." The successful creation of a false facade for foreigners and the irresponsibility with words in the Soviet Union both stem from the basic Soviet attempt to convince people that the truth is what they are shown or told and never what they learn independently.

The emphasis is on manipulating what they can see because it is assumed that foreigners have no access to independent impressions. With Soviet citizens, the goal is to get them to ignore what they see and believe what they are told.

One night a friend of mine named Volodya came home after an alcoholic binge to find his wife and mother waiting for him and, in his words "ready to strangle me." He had been out with his friend, Petya. In a distinctly Soviet attempt to save himself, he told his wife, "Petya is dead."

Volodya's wife, who was fond of Petya, burst into tears, helped her husband into bed, and brought him a cup of tea. When she left, Volodya picked up the phone and called Petya. He told Petya to stay out of sight for a few days because he had told his wife that he was dead. Petya, who had also been drinking, agreed, and went back to sleep.

The next day, Petya having forgotten the incident, saw Volodya's wife on the down escalator at the local Metro station as he was riding up. He waved at her and then, realizing his mistake when he saw her look of absolute horror, began shouting, "no, no, I'm dead, I'm dead."

Only in the Soviet Union would a man in Petya's position have felt there was a chance to convince her.

IN A MACABRE footnote to the pre-Olympic preparations, Soviet television viewers were surprised one night last month by the uncheduled appearance of Father Dmitri Dudko, a Russian Orthodox priest, who had been arrested six months earlier on charges of anti-Soviet agitation.

In a clear, confident voice, Father Dudko began reading a confession in which he renounced his previous dissident activities, praised the Soviet authorities for their humanity and said that he now recognised that his struggle against atheism had been a struggle against Soviet power.

When Father Dudko finished people began calling each other in Moscow's dissident and intellectual community. Father Dudko was the religious counsellor and friend to most of Moscow's liberal intelligentsia, and one historian later described his recantation as an "inexpressible blow."

The confession of Father Dudko, however, did not signal the start of a new campaign against religion but on the contrary, was followed by intensification of the preparations of religious facilities for the 1980 Olympics. Long neglected Russian Orthodox churches were being restored, crosses erected and icons lit to demonstrate Soviet respect for religious faith.

The irreconcilability between Father Dudko renouncing his beliefs on nationwide television and the final touches being put on the restored cupolas of Russian Orthodox churches is symbolic of the problems foreigners will experience in understanding a society which invests enormous energy in creating a false facade to conceal the ideology which guides it.

More than 30,000 western tourists are coming to Moscow for the 1980 Olympics and the overwhelming likelihood is that

the impression they will take away with them will be based on the false front, not the ideological reality.

The buildings on main Olympic routes have been repainted, drunks, hooligans and others likely to make public scenes have been exiled, attractive Soviet guides who have been carefully screened will aid foreign visitors and a full cultural programme has been arranged. Meanwhile the ubiquitous police—both uniformed and plain-clothed varieties—will discourage chance encounters in the street.

The Soviet authorities believe that Western visitors to the Soviet Union generally have no interest in probing deeply into

**Ideological fervour has drained away to be replaced by careerism**

Soviet life and will draw their conclusions on the basis of what is visible. The Soviets therefore set out to organise what the visitors will see.

The Olympic Games will be a net gain for the Soviet authorities in the political sense if the vast majority of foreign visitors never give any thought to the ideological essence of Soviet society and assume that in the Soviet Union too, appearances reflect reality.

The foreign visitor—who buys expensive Olympic souvenirs in Soviet dollar shops, travels in an Intourist car, attends the Bolshoi ballet and the Olympic events and admires the golden cupolas of churches which have been carefully restored—may easily return home to tell friends that the Soviet Union is little different from countries in the West.

Moscow may notice that older people are better dressed than he had imagined. But this will be less important than the fact that some of those strolling past him on Kalini Prospekt are former labour camp prisoners who adopted, as a result of their experiences, the fundamental assumptions of the Soviet "new man."

The experience of having been arrested, serving 15 years in a Siberian labour camp and then being freed, rehabilitated and restored to one's previous position as if nothing had happened teaches a man one of totalitarianism's basic rules—that his actions do not always influence his fate.

The Soviets have tried to create an environment for western visitors in which they will feel comfortable and which they will compare to their own. Having arrived at a gleaming airport built by the West Germans, the western visitors will be quickly taken to luxury hotels and offered the opportunity to participate in familiar activities such as group excursions, buying parties and theatre tours.

The visitor, however, will learn more about Soviet society far away from the tourist facilities. Although it is off the beaten path, the visitor may gain a feel for the way in which totalitarianism made people interchangeable in the Soviet Union by taking a walk in the dimly lit heart of 19th century Moscow.

Watching the reflection of the street lamps on the motionless surface of Patriarch's Pond, it is easier to understand that the Soviet Union is a country where a figure stepping out of the shadows for a solitary midnight stroll could, with equal ease, have spent his life as a high Soviet official or as an "enemy of the people and saboteur."

always so diffident about its ideology or so anxious to make bourgeois westerners feel at home. But ideological fervour has slowly drained away to be replaced by ordinary careerism which must nonetheless realise its goals within the established ideological structure. The result is a surrealistic situation which helps explain why the Soviets prefer to conceal the state of their ideological ambiguity behind a protective facade.

The techniques being used to create an atmosphere of normality for Olympic tourists are aimed at misleading journalists, businessmen and heads of State. Soviet political culture was shaped by Marx and Lenin's unflattering view of the western bourgeoisie. If the West feels baffled by the Soviet Union this is partially because the Soviet authorities have aimed at misleading journalists, businessmen and heads of State. Soviet political culture

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## Weekend Brief

### Keeping the flame burning

Roller Hockey may well seem an esoteric sport for someone aspiring to become the sporting world's most influential statesman, but this did not deter Sr. Juan Antonio Samaranch, whose sport it was, and who this week realised a life-long obsession when he was chosen to succeed Lord Killanin as President of the International Olympic Committee (IOC).

Samaranch, 60, a diffident Barcelona textile industrialist born into the upper reaches of the Catalan bourgeoisie, turned the well-known formula of using eminence in sport to further a political career on its head. The political and diplomatic leverage he was under Franco and his successors has been used for the single-minded purpose of capturing the IOC Presidency. During the last three years, as the first Spanish ambassador to the Soviet Union since the 1936-39 Civil War, he has had the full backing of the Madrid Government in attaining this end.

Samaranch first achieved national prominence in 1954, when he organised the Mediterranean Games in Barcelona. He then began a steady rise up the Sport and Culture ladder of the Francoist party, the Movimiento, becoming national sports delegate in 1966, the same year he was elected to the IOC, under the wing of its then President, the autocratic Avery Brundage.

Franco regarded sport as more effective than religion as a means of directing the national mind away from political tension, and Samaranch's tenacity is well-remembered for the massive — and often unintentionally hilarious — "Comentarios contra" (We're counting on you) campaign to popularise sport. Spanish nevertheless genuinely grateful for Sr. Samaranch's attempts to match the propaganda with sports facilities.

Formerly a deputy in Franco's rubber stamp Cortes, he was made President of Barcelona's provincial government in 1973, spearheading late Francoism's first timid attempt to come to terms with Catalan nationalism. In this initiative, Samaranch was not helped by the Barcelona corporation's well-earned reputation for corruption and venality.

In his latter period in Barcelona, with Spain's first democratic general elections approaching, Samaranch set up his own political party, Convergencia i Unio. The Government of Sr. Adolfo Suarez had meanwhile set up its party, the Union de Centro Democrático (UCD), and was not pleased with this further competition from the Centre-Right in an area where it was, and remains a minority party.

The solution that was found led to no small part to Samaranch's success in this week's IOC election. In return for the effective disbandment of his party, Samaranch was given the new Moscow embassy and full Government backing for his bid.

The man who faces the difficult task of preserving the Olympic ideal... why memories of games past are haunting the British Open... China's heavy smokers... and praying for rain in Bordeaux

Already chief of protocol and a vice-president of the IOC, Samaranch has been able to use his position as Spanish ambassador in the lead-up to the Moscow games to lobby effectively for the presidency. More than anything else, it was the solid backing of the 13 European IOC delegates that won him the election on the first ballot. A small indication of his success is that Samaranch is one of the privileged few Moscow diplomats to have succeeded in organizing himself a weekend "Dacha."

### Collecting golf's ghosts

If ghosts of Old Tom Morris and Willie Park are lurking on the links at Muirfield today they might well drop in on the Open's "tented village." Besides being great players in their own right, Morris and Park, earliest rivals for what is now the world's most coveted golfing crown, were also fine club-makers in their time. And the smell of modern commercialism notwithstanding, these two spirits would surely take as close a look at the diverse club designs of their 20th century descendants as at the smooth, cultured swings of their superstar heirs.

The same could not be said of the millions of spectators and TV viewers preoccupied no doubt with the endless antics of Trevino and the brilliant recovery play of the hit hitting Ballesteros. But they may be interested to know that there is now a rapidly developing collectors' market in old golf clubs, golf balls and other golfing items dating back to the early days of the game. Many of these treasures, moreover, could be lying around in people's homes, unloved or undetected by their owners. "Today's rubbish in the attic is tomorrow's antique," claims Ian Henderson, joint author with West of England surgeon David Sirk of a fascinating recent documentary history "Golf in the Making."

"At present the ordinary dealer knows little or nothing about golf clubs and does not regard them as of value," adds Mr. Henderson. "As a collector you may profit from this." There are few general rules, in fact, to help laymen identify the valuable from the worthless. There was a time when the only wooden clubs considered collectable were "scared-head" or spliced, i.e. the shaft is stuck to and bound to the shaft. Now socker headed clubs, where the shaft is inserted into the top of the head and which took over in the 1890's are also attracting considerable interest. Developments in club manufacture, interestingly, were partly influenced by changes in ball design. The earliest ball, now relatively rare and worth up to £1,000 in "mint" condition, was known as the feathery (it was covered in leather and stuffed with feathers) but when the gutta percha arrived, this long headed club increasingly gave way to those with a more substantial head.

Someone quickly learning these ropes is Peter Marsh of Sotheby's sporting sales department. Currently planning the first ever predominantly golfing auction to be held at Gleneagles on August 26, Mr. Marsh reports enthusiastically that about 135 items will be up for sale. A long-headed brassie by W. Dunn c.1880, for example, is expected to fetch £400-£600, while a "Baffing spoon" by Young Tom Morris of St. Andrew's is likely to go for £300-£500. Many of the owners, not surprisingly, hail from North of the border but great continental interest for golfing memorabilia was seen at a previous Sotheby's sporting sale last December—an early 19th century Delft dish with a golfer on ice went to a German for £1,200, while another collector paid £130 for a stuffed frog (billed as "Jeremy Fisher of Gleneagles" in the catalogue) standing on a green swinging his club.



The IOC's Killanin and Samaranch: games within games

British-American (State Express 355) to manufacture under licence in China, but only for sale in tourists hotels and other special outlets. These special outlets are not described, but the more cynical might suggest the battalions of cigarette smokers who are lighting up a Camel rather than a Great Wall, or whatever brand they now smoke.

Foreigners who smoke claim that, almost without exception, Chinese cigarettes are terrible. Still you could say that any shortfall in quality is more than matched by the quantity. Despite being the target of a vigorous, if spectacularly unsuccessful anti-smoking campaign, 200m Chinese smokers consuming more than 700bn cigarettes this year cannot possibly be wrong.

### Smoke gets in their eyes

China has revealed a truly amazing statistic. According to the Ministry of Light Industry Chinese last year smoked 651bn cigarettes. Assuming China has a population of 1bn, this is 651 cigarettes for every man, and child, smokers and non-smokers.

The authorities estimate there are 200m smokers in China, giving it unchallengeable status as the smoking capital of the world. In the first half of this year, China's factories produced 378,200m cigarettes, a 26 per cent increase over last year. Little wonder then foreign tobacco companies have long been jealously eyeing the local cigarette market.

If you can't sell a pair of woollen socks to every Chinese, what is better than cigarettes manufactured from foreign grown tobacco? But now three cigarette conglomerates, two American and one British, have a small toehold in China.

The Chinese have agreed to allow R. J. Reynolds (Camel), Philip Morris (L and M) and

### Water and the wine

If you are neither Francophile nor philanthropic, it may hearten you slightly to learn that we are not the only ones suffering from the record-breaking wet, cool, miserable summer. Across the channel in Bordeaux the climate is equally gloomy—the only difference is the effect it has been having on the Bordelaise community. There are people there who actually breathe a sigh of relief every time they look out in the morning and see yet another dull grey sky filled with yet more threatening rain clouds. They are, believe it or not, the Bordeaux wine-growers who, contrary to popular opinion, were not praying for a long, hot July to bring them thus a full and plentiful harvest. A bountiful harvest is the last thing a French wine-grower is looking for this year.

Peter Sichel, leading Bordeaux wine shipper—his great grandfather went out there from London in 1883 to set up the Bordeaux end of the business—and grower of the esteemed Margaux cru classe, Chateau D'Angludet, can speak for both negociants and vigneron.

"We are all very relieved that this year looks like being a small harvest, thanks to all the rain. We couldn't have coped with another year like last year."

Sichel is not just talking for himself and his fellow Medoc chateau owners but for the thousands of small growers who provide the grapes that go into the millions of gallons of table wine that come out of France every year.

"A dry July could have meant a complete collapse of the French wine market. Wine prices dropped after last year's phenomenal harvest, it was the biggest since 1935, and another bumper harvest would have brought them down even further. A lot of growers couldn't have faced another drop in price—not when you look at the way overheads are increasing."

But while Sichel is thankful for the July rains he is keeping a weather eye on the forecasts for August and September.

"The rain has meant trying things so far one that this year's crop will be small and two that it will be late-harvesting should start this year on October 6, which is much later than usual. But so far the rain hasn't had a chance to affect the quality of the grapes. For a good quality crop we need a dry warm August and September. Being an optimist, I am predicting that all this wet weather we have had in June and July can only indicate a dry spell to follow. I mean it couldn't rain all summer could it?"

If Sichel's optimism is supported by climatic events, and the vineyards produce a small but high quality harvest the French wine growers and shippers will have good reason to celebrate. It is only we consumers who will have cause to drown our sorrows. "Provided the quality is there 1980 wines will be considerably more expensive than the 1979 vintage," predicts Sichel.

Contributors:

David Gardner  
Tim Dickson  
Tony Walker  
Robyn Wilson

**TODAY**—Mrs. Margaret Thatcher addresses annual Conservative conference at Swansea, Wales.  
**TOMORROW**—Mr. James Callaghan, Labour Party leader, speaks at Tolpuddle Martyrs' Memorial Rally, Dorset. National Savings monthly progress report (June).  
**MONDAY**—House of Commons debates Opposition motion on Government's "damaging policies" towards publicly-owned and supported industries—also motions on Members' salaries, pensions and allowances. Retail sales (June provisional). New

### Economic Diary

construction orders (May). EEC Fisheries Council meeting. Luxembourg. Industrial and commercial companies' appropriation account, net acquisition of financial assets and net borrowing requirement. **TUESDAY**—July provisional figures for unemployment and unfilled vacancies. Bricks and cement production (June). Committee for Fiscal Studies report on public spending and revenue proposals. Greater London Council special meeting on London Transport. Iron and

Steel Trades' Confederation meets in London to discuss possible expulsion of 400 members at Sheerness Steel. EEC Agricultural Council meets, Luxembourg. EEC Foreign Affairs Council meets, Brussels. British Gas annual report.

**WEDNESDAY**—Trades Union Congress general council meets. New vehicle registrations. **THURSDAY**—Institutional investment (first quarter). Consumers' expenditure (second quarter—first preliminary estimate). **FRIDAY**—Sales and orders in engineering industries (April).

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# Lloyds 16% increase at midway

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

Lloyds Bank increased its interim pre-tax profits by only 16 per cent to £144.5m despite the impact of higher interest rates. Mr. Norman Jones, the Lloyds group chief executive, said yesterday that profits had been lower than analysts had expected because there had been very little growth in current account deposits. Instead, customers decided to take advantage of higher interest rates by placing substantially more deposits on interest-bearing deposit accounts.

Mr. Jones said profits had also been substantially affected by penalties under the "corset", under which banks were penalised for exceeding the Government's lending limits.

Another factor which needs to be taken into account is a substantial increase in the cost of debt provisions. While net write-offs of bad debts during the period were only £700,000, Lloyds has reduced profits by a charge of almost £16m, against £5m in the same period last year. Half of the £16m and £4m charge related to an increase in the general provision. If the increase in the general provision was ignored, on the grounds that this provision is never used, profits would be £5m higher than reported.

The current year has begun with a more encouraging start, as the directors, which will be further improved by falling interest rates and the benefits which have yet to be fully realised from the costly reconstruction of the previous year.

Operations which were making substantial losses, or which did not have potential, have been or are being liquidated, they add, and the bulk of these have been taken into the year under review.

Turnover declined from £120.8m to £109.72m, reflecting reductions in home, direct and indirect export and overseas subsidiaries' sales. The strong pound seriously affected exports and cheapened imports, reducing demand on productive capacity and margins, say the directors, and trading profits, including investment income, plunged from £67.8m to £19.1m.

Interest charges increased from £25.8m to £39.5m, and the scaling down and rationalisation of certain operations cost £467,000 (£569,000).

After a tax credit of £1.01m (£405,000 charge) and minorities of £53,000 (£154,000), there is an extraordinary deficit of £19.8m, representing the net

DIVIDENDS ANNOUNCED				
Company	Current payment	Date	Corr. Total	Total
Allied Colloids	1.897	Oct. 11	1.897	2.54
Black Arrow	1.6	Oct. 1	1.5	2.2
Forminster	2.52	Oct. 5	1.62	4.2
Glasgow Stock Exch. Int.	1.75	Aug. 21	1.25	3.391
Illingworth Morris	Nil	—	1.15	0.55
Robert H. Lowe	0.67	Oct. 1	0.67	—
Lloyds Bank	7.5	Aug. 29	6.25	14.25
Lynton Holdings	1.9	Sept. 1	1.6	3.1
Romey Trust	1.3	Aug. 29	1	4.291
Selatrone Dredging	2.5	Aug. 25	50	40
Shef. Refreshment	1.82	—	1.62	2.32
Trafford Carpets	Nil	—	0.75	1.75

Dividends shown pence per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special non-recurring payment of 0.44p. § Gross percentages throughout. ¶ Includes special payment of 0.69p.

possibility of the government imposing a windfall profits tax on the clearing banks. "I have never believed it was a practical thing to do."

Looking to the outcome for the year as a whole, Mr. Jones said he expected "a reasonably satisfactory result." The international contribution would be up proportionately, but the

cost of closures and written-off trade investments. Dividends absorbed £305,000 (£253,000), leaving a net loss of £3.5m against a profit of £2.07m.

Of the subsidiaries, Woolcombers (Holdings) turned in pre-tax losses of £539,000 compared with profits of £1.4m, and Salts (£22,000) a deficit of £588,000 (£22,000 profit). Winterbottom, Strachan and Payne slipped back from £1.4m to £547,000; S. Schneiders and Son from £295,382 to £198,724; and John Emley from £68,102 to £33,602.

comment

The extent to which Illingworth Morris, the largest wool textile group in the world, must endure penny stock status (or as near as makes no difference) depends on the success of its efforts to isolate the most urgent priority. The rise in debt ser-

vice costs highlights one of the most pressing problems—particularly since the transfer from reserve brings shareholders' funds down to under £26m. The steep trading profit decline pinpoints the depression in the UK textile industry and the difficulty in combating import penetration to say nothing of selling profitably in overseas markets. The Board, still without a chairman, is sounding less than completely pessimistic and it is to be hoped that the hefty rationalisation costs have been fully absorbed. If all goes well, the benefits of savage cost cutting will start to come through this year and any fall in interest rates will have a substantial effect on the massive level of income gearing. It is still far too early, however, to regard the shares, at 14p, as a recovery proposition.

comment

THE strength of sterling, increased interest charges and higher costs all contributed to the reduction in pre-tax profits of Allied Colloids Group from £5.98m to £3.25m in the year ended March 29, 1980. Turnover amounted to £36.42m against £29.48m.

First half profits had fallen £1.1m to £1.51m but the directors said that subject to further exchange rate fluctuations, recent price increases in some produce areas and increased turnover were expected to lead to better results in the second half.

However, the exchange value of sterling appreciated over the year and the directors say if comparable parities of the previous year were substituted, pre-tax profits would have increased by £2m.

The increase in interest charges followed the spending of more than £4.2m during the year on additional plant, equipment and buildings. Higher costs were particularly felt in raw materials prices, which it was not always possible to pass on in increased

selling prices, the directors add. Stated earnings per share are down from 8.81p to 7.67p but the total dividend is being maintained at 2.541p with an unchanged final of 1.897p.

Salts for the first quarter of the current year are more than a quarter up on those for the comparable quarter last year but since the start of the current year, there has been a further hardening of sterling and the board find it impossible to give an indication of the final result. The group trades as a speciality chemical maker for the textile, paper and board, mining and processing industries.

comment

THE share price of Allied Colloids owes less and less to the trading performance. A 45 per cent profit left the shares unchanged yesterday at 107p, where the fully-taxed multiple is almost 30. The market is still expecting an offer from one of Allied's giant U.S. competitors, which were largely responsible for last year's profits slide. With the benefit of a weak dollar, cheap oil and often sizeable cash reserves, they were able to secure a position in the overseas markets where Allied does 75 per cent of its business. Specially chemicals are not normally too price sensitive but against such heavyweights competition Allied will find it hard to maintain its position. The company has been expanded by at least 50 per cent over the last 18 months, at some cost to the balance sheet, so Allied is hardly in a position to sacrifice sales in order to boost the trading return. Patience is the necessary virtue of Allied's shareholders, so the modest 3.5 per cent yield is of little consequence.

comment

comment

comment

## Trafford Carpets £137,000 in the red

LOSSES OF £136,316 before tax have been incurred by Trafford Carpets (Holdings) for the year ended March 31, 1980, and no ordinary dividend is being paid.

In the previous year, there was a profit of £26,351 and dividends totalled £17.5p.

The group has stopped production of carpet backing and other craft yarns and aimed products and in future will concentrate production solely on weaving high quality Wilton and Axminster carpets. In part of its Trafford Park factory—surplus land and buildings are being disposed of.

Turnover for the year was down from £4.02m to £3.79m. The loss is before a tax credit of £74,226 (£17,200 charge) and extraordinary debits of £315,539 against the previous year's £53,000 credit. Stated loss per share is 5.95p compared with 1.19p earnings.

Exceptional debits comprise termination losses of yarn spinning subsidiary, £202,372 and provision for reorganisation, £165,000 less profit on the sale of a house, £5,992 and tax adjustment, £45,841.

comment

THE directors have agreed to adjust the terms for future conversion of the 74 per cent convertible unsecured loan stock 1984 following the capitalisation issue. The new rate of conversion will be 346.9p nominal of stock for each £1 nominal of share capital.

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## Yule Catto-Revertex agree after higher bid

BY ALAN FRIEDMAN

YULE CATTO, the plantation and investment group, has increased its offer for Revertex Chemicals in a bid which now prices the shares at 54p each, putting a value of £5.4m, against an earlier £5m, on the shares it does not already own.

The directors of both companies have now agreed terms for the capital of Revertex Chemicals to be the 29.5 per cent stake Yule Catto picked up in a "dawn raid" during April. For every 50 ordinary shares of Revertex Chemicals it is offering 5 of its own ordinary shares and 17, rather than 15, new 11p per cent cumulative redeemable preference shares.

But the bid is still conditional upon the receipt by Yule Catto of an undertaking from Hoechst, the German chemicals group, that if Catto acquires control of Revertex, Hoechst will not exercise its option to acquire Revertex's 50 per cent shareholding in the jointly owned Harlow Chemical group.

This matter has been a particular problem between Catto and Revertex since the full scale offer was launched last month. Sir Campbell Adamson, chairman of Revertex, stressed yesterday that agreement with

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## Charter has to seek approval for disposal of Seltrust stake

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THE Stock Exchange has ruled that the board of Charter Consolidated must seek shareholder approval to sell its 25.7 per cent stake in Selection Trust, the mining finance house for which British Petroleum has made an agreed bid.

The stake is worth £104m in terms of BP's offer compared with total net assets of Charter adjusted for the offer of £78m. As a result of recent pressure from institutions the Stock Exchange now expects companies to get shareholders' approval for the sale or purchase of assets amounting to more than 15 per cent of a company.

Charter's board has already conditionally agreed to accept BP's offer and is urging shareholders to vote in favour of that decision.

However, it will not reveal whether it intends to accept cash or BP shares or a mixture of both. That decision, it says

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## BCE to lift Hawthorn Leslie profit

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Hawthorn Leslie has now exchanged contracts for the acquisition of British Central Electrical Company, a wholesaler and manufacturer of industrial electrical equipment, for £1.5m.

Mr. Keith Chapman, Hawthorn Leslie's managing director, said the group saw great potential in the electrical wholesaling sector. But there were no other acquisitions in the pipeline, he added.

The BCE acquisition is the group's second since receiving compensation for the nationalisation of its former marine engineering interests.

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## Tebbitt pays £4.8m for Hensher

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Tebbitt Group, now headed by Mr. John Bentley who returned to the City after making his exit in the early 1970s, has made an agreed £4.8m bid for Hensher (Furniture Trades).

Tebbitt, now changing from a furniture into a predominantly property group, is offering a mixture of cash and preference shares for Hensher, whose shares were suspended a few days ago at 88p for the "A" ordinary shares and 87p for the ordinary, valuing the company then at £4.1m.

The cash offer from Tebbit, in which Mr. Jim Slater recently took a 4.5 per cent stake, values the Hensher shares at 99p for the non-voting "A" stock and 102p for the ordinary.

Tebbit is offering 45p cash for Hensher's 4.2 per cent cumulative preference shares, one 10.27 per cent convertible preference share 1982-90 in exchange for 100 Hensher ordinary shares, and one 9.1 per cent convertible preference share for 100 "A" shares. Singer and Friedlander are advisers to Tebbit.

Hensher's pre-tax profits for the year to March 31, 1980, were £315,577, down from £380,833, on a turnover of £5.29m (£6.37m). Earnings, after tax of £388,144 (£413,786) were 8.7p (9.6p). Because of the agreed merger, there is no dividend.

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## Results due next week

John Brown indicated at the interim stage that profits for the full year could fall by around £10m to £18m. Its forecasts are generally conservative, and were particularly so this year because of the proposed Lesona acquisition, but analysts believe that Friday's preliminary announcement will disclose profits only marginally above the indicated figure. The order intake on gas turbines has remained weak, in part because of intense U.S. competition, and the machine tool market remains depressed. On the construction side, the company is taking useful profits from old orders but new contracts are in short supply. The dividend should nonetheless show a 20 per cent rise, adjusted for a scrip issue.

Davy International reports its preliminary figures on Thursday, and like John Brown, will show the consequences of industrial action, the strong pound and a general slow-down in overseas orders. The second half will not bear the scars of the £5m U.S. loss provision recorded at the interim stage but analysts are still predicting a drop in pre-tax profits from £26.1m to about £18m. The manufacturing divisions will have been especially hard hit,

though overseas contracting will also be a weak area, with margins falling and new contracts drying up, particularly among Comecon countries. A. Monk is likely to show a loss for the year and a bright spot in the form of McKee should make little imprint on an otherwise gloomy picture.

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## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

In what will be the largest-ever foreign takeover of a U.S. bank, Midland Bank plans to acquire a 57 per cent controlling stake in the California-based Crocker National Bank in a \$346m deal. The Crocker deal represents a second attempt by Midland to acquire a substantial position in the U.S. market following the aborted plan to buy the Walter E. Heller finance and banking group of Chicago for \$218m. Midland has also agreed to buy 60 per cent of Tripartite and Burkhardt, Germany's largest private bank, for approximately £50m.

Dealings in the shares of Proprietors of Hay's Wharf were suspended on Monday at 253p following news that the company is holding talks with the Kuwait Investment Office. Two weeks ago, the KIO made a 240p per share cash offer for the 67.3 per cent of Hay's Wharf it does not already own, but this was rejected as inadequate.

Chemical concern Laporte emerged as the hitherto unnamed suitor for Bio-Kil Chemicals, manufacturer of weed preservatives and damp proofing products. Laporte is offering 150p per share cash for each ordinary Bio-Kil share, valuing the latter at £3.75m. Directors of Bio-Kil, whose holdings in the company total 66.2 per cent, have irrevocably undertaken to accept.

Mr. Dermot Ryan, chairman of the Dublin-based electronics company, RTD Group, sold his controlling interest in the company to Mr. Jim Dyer and associates through stockbrokers Simon and Coates. To comply with the City code, Simon and Coates will now extend an unconditional 5p per share cash offer for the remaining ordinary shares. Jim Dyer is the former chief executive of Armstrong Equipment's fastening division brought in by Simon and Coates to represent clients' interests in their recent acquisition of Christy Brothers.

Mr. Carr-Saunders, acting on behalf of Provincial Ltd. and the private interests of its chairman, Mr. Michael Ashcroft, bought 5.85 per cent of Fritchard Services for £1.4m at 72p per share in a six-minute tender raid on Wednesday. Together with the 11.25 per cent Provincial and Mr. Ashcroft already own, their total holdings in Fritchard amounts to 20.1 per cent. Mr. Ashcroft stated that he has no present intention of making a bid for the rest of the company, but would consider buying more shares up to a maximum of 29.9 per cent of Fritchard at prices not over 70p.

Company bid for Value of bid per share\*\* Price\*\* Bidder Final Acct'ce date

Prices in pence unless otherwise indicated.

Target 124 24 18 0.17 Timex

Bio-Kil 150 142 100 1.50 Laporte

Christy Bros. 30 38 33 0.60 Simon & Coates

Cray Elect. 31 36 34 0.93 Thurgate Tst

Dolfin Tst. 270 275 275 0.29 Tategold

Hayes Wheat 240 253 272 34.72 Kuwait Inv. Office

Company bid for	Value of bid per share**	Price**	Value of bid per share**	Price**	Bidder	Final Acct'ce date
Lidstone	280	380	290	0.51	Greenwalk Nominees	—
L.K. Industrial Inva. Tr.	16 1/2	18	16	0.20	Caparo Inv.	—
Manson Trust	39 1/2	45	33	3.84	Hong Leong Finance	—
Mackinnon Scot. Marshall Cundlish	46 1/2	47 1/2	25 1/2	1.16	Dawson Times Publishg.	—
McCleery L'Amie Nationwide	194 1/2	184	17	2.44	Berhad Lamont	—
Lelure	6 1/2	6 1/2	9	0.66	Rantledge	—
Revertex	50 1/2	50	44	5.02	Yule Catto	—
Rolls-Royce RTD	71 1/2	67	56	42.25	Vickers Simon & Coates	—
Selection Trust	112 1/2	112 1/2	112 1/2	405.2	BP	—
Stanhope Gnl. Inv	200 1/2	192	170	2.56	Dares Estates	—
Steuara Romana	10 1/2	43	7	0.25	Eng. Assoc.	—
Unilever Inds.	131 1/2	122	121	38.25	Fosco Minsep	—
Wolf Electric	128 1/2	118	62	16.31	Dobson Park	—

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Assoc. Newspapers	Mar.	12,310 (10,740)	4.5 (4.45)
Berford	May	102 (520)	1.2 (1.2)
Birmid Qualeast	May	4,757 (1,944)	1.5 (1.5)
Deansons Hlgs.	Mar.	158 (121)	—
Ferguson Ind.	May	4,128 (501)	—
Gestelner Hlgs.	May	9,890 (11,400)	2.5 (2.5)
Glass Glover	Mar.	211 (174)	0.5 (0.42)
Ladies Pride	Mar.	580 (508)	1.4 (1.17)
Lonrho	Mar.	51,900 (29,400)	3.0 (2.64)
Neil & Spencer	May	736 (725)	1.4 (1.4)
Parabank	June	18 (820)	1.2 (2.48)
Rack Organisation	May	53,550 (64,048)	4.8 (4.8)
Scott (David)	Mar.	214 (222)	0.6 (0.54)

(Figures in parentheses are for corresponding period.)  
Dividends shown net except where otherwise stated. \* Earnings before tax. † Paid as a second interim. ‡ First quarter to May 31, 1980. L. Loss.

## Scrip Issues

Magnet and Southern—One for two.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Alnatt Props.	Mar.	5,190 (4,350)	7.1 (5.9)	3.7 (3.23)
Antofagasta	Dec.	14 (1,020)	— (5.3)	— (—)
Brit. Sil. & Eng.	Mar.	402 (292)	17.0 (13.7)	4.5 (3.1)
Cardale Eng.	Mar.	2,870 (397)	18.0 (16.8)	5.2 (5.2)
Christie Tyler	Apr.	2,080 (4,200)	12.4 (23.8)	6.5 (6.5)
Diamond Stylus	Mar.	181 (252)	5.2 (4.7)	0.89 (0.88)
Distillers	Mar.	193,900 (180,100)	39.8 (34.0)	10.75 (9.75)
Pirih (G. M.)	Mar.	177 (194)	5.6 (9.7)	3.0 (3.0)
Pleasant (Robert)	Mar.	8,120 (6,510)	37.6 (33.2)	15.0 (12.0)
Globe Inv. Trust	Mar.	30,940 (16,810)	7.9 (5.2)	7.25 (5.6)
Graft Shipping	Mar.	837 (1,210)	1.91 (2.1)	25.0 (4.0)
G.U.S.	Mar.	172,750 (155,360)	38.6 (36.9)	11.53 (10.5)
Haslemere Ests.	Mar.	5,370 (4,120)	11.9 (13.3)	5.2 (4.77)
H.A.T. Group	Feb.	4,010 (2,820)	8.4 (6.2)	2.0 (1.71)
Hollis Bros.	Mar.	329 (1,360)	6.5 (10.5)	1.4 (5.12)
Horsell (F.)	Mar.	1,160 (1,040)	3.19 (17.6)	3.5 (—)
Jones Stroud	Mar.	2,060 (2,780)	21.7 (28.2)	5.2 (5.2)
LRC International	Mar.	6,210 (5,880)	6.1 (3.2)	2.45 (2.23)
Magnet & Subs.	Mar.	25,820 (19,000)	23.7 (15.7)	7.5 (5.74)
Marling Inds.	Mar.	1,010 (1,310)	3.4 (4.3)	0.89 (0.83)
Meyer (Matig.)	Mar.	16,330 (15,450)	24.4 (23.3)	6.25 (5.75)
Nesco Inv.	Feb.	789 (788)	9.0 (5.2)	6.3 (3.35)
Nova (Jersey)	Mar.	818 (415)	16.2 (13.1)	3.5 (2.8)
Rothschild Inv.	Mar.	7,500 (5,750)	12.9 (13.2)	11.5 (9.0)
Sytone	Mar.	1,940 (4,200)	36.6 (33.3)	9.0 (7.0)
Unigate	Mar.	51,400 (42,400)	19.6 (17.3)	5.7 (4.7)
Vinten	Mar.	1,370 (1,610)	9.2 (5.1)	2.8 (2.5)
Warner Holidays	Dec.	1,130 (818)	9.2 (6.1)	2.25 (1.85)
Wellwell	May	1,610 (750)	8.1 (4.7)	2.5 (1.1)
Wellman Eng.	Mar.	2,020 (1,030)	5.6 (3.3)	2.68 (2.68)
Western Board	Mar.	1,400 (1,200)	13.2 (10.7)	5.3 (4.4)
Wood & Sons	Dec.	190L (190)	— (3.7)	0.7 (1.68)

## Offers for sale, placings and introductions

Mariner Petroleum—Offer for sale of 5.4m ordinary 10p shares at £1.60 per share, raising £8.6m.  
Kofe and Nolan Computer Services—Is being introduced to the market by way of a placing of £875,000 10p shares at 51p.  
United Electronic Holdings—Is being introduced to the market by way of a placing of 2.6m ordinary 20p shares at 87p a share.

## Rights Issues

Lonrho—Rights issue of 43,682,595 ordinary 25p shares on the basis of one for five at 80p each to raise £34.4m.  
† Approximate figure before expenses.

## APPOINTMENTS

## Group changes at C. T. Bowring

Mr. Lambert Coles has been appointed chairman of C. T. BOWRING (UNDERWRITING AGENCIES) following the resignation of Mr. P. L. S. Suddart from that position. Mr. Coles has retired as joint underwriter for Syndicate 40. Mr. A. P. Bartlett has been appointed a director of C. T. Bowring (Underwriting Agencies) and is now sole underwriter of Syndicate 40. Mr. A. W. Hoit becomes his deputy underwriter.

Mr. D. B. Hill has been appointed a director of ASSOCIATED NEWSPAPERS GROUP.

ALEXANDER HOWDEN UNDERWRITING states that Mr. C. H. Behling has been appointed underwriter of Marine Syndicate 833/4 and non-marine syndicate 216 from August 1.

The Secretary of State has appointed two new part-time members to the Board of BRITISH AEROSPACE, Sir Jack Wellings, chairman of the 600 Group, and Mr. K. M. Sevin, a director and formerly chief general manager of the Royal Insurance.

Mr. L. I. Raven-Hill is the new president of the INSTITUTE OF LEGAL EXECUTIVES for 1980/1981. He is a legal executive with Dixon Ward and Co. The president of the Institute is Mr. Douglas Pearson, who is principal legal executive with the West Yorkshire Metropolitan County Council, Wakefield.

Three new directors have been appointed to the Board of the CAR CARE PLAN GROUP operating companies, Major Breakdown Services, Vehicle Guarantees and Car Care Plan (Securities Division). Mr. George Waterson becomes regional sales director, Scotland and the North East. Mr. Paul Egan, regional sales director, Northern England; and Mr. Derek Brookes, sales director, Midlands.

Mr. William Bunn has been appointed to the newly-created post of production director at ADVANCE TAPES, of Leicester.

Mr. D. L. Woolfson has been appointed to the Board of CAPITAL CYCLES with special responsibility for market development.

Mr. Brian Muffitt, at present management services director of Yorkshire Post Newspapers in Leeds, is to become a full-time director of ESSEX COUNTY NEWSPAPERS in August. He will also become the group's financial director-designate, to succeed Mr. Ken Benson when he retires at the end of 1981.

Mr. Philip E. Heywood has been appointed partner of HILL VELLACOTT in place of Mr. Noel R. Mann, who has retired. Mr. Peter H. Jackson has also retired to take up a consultancy appointment. Mr. Geoffrey N. Lane and Mrs. Christine Freshwater have been admitted to the partnership.

Three new directors have been elected to the Board of CONTINENTAL ILLINOIS INTERNATIONAL CORP., a London-based subsidiary of Continental Illinois Corp. They are Mr. Leo C. deGriff, senior vice-president and head of the international banking department of Continental Bank, Mr. Carson L. Reed, senior vice-president and head of the bank's financial services department; and Mr. Joseph F. Alamo, vice-president in Continental's trust and investment services department and chairman of its investment strategy group.

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It should be noted that shares exchanged under this scheme rank as disposals for capital gains tax purposes. However, following the Budget proposals gains of £3,000 can be made in any financial year free of all liability. Furthermore, gilts held for longer than 1 year attract no capital gains tax liability whatsoever on disposal.

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1979-80	Company	Price	Change Div (p)	Gross Yield	P/E
88	Alstrop	95	—	6.7	12.2
90	24 Armistice and Rhodes	24	-1	3.8	19.8
252	185 Bardon Hill	252	+2	19.3	8.6
103	75 County Cars 10 7/8 P	75	—	15.3	20.4
107	63 Deborah Ord.	94	—	5.0	5.3
125	88 Frank Horsell	115	—	7.9	6.9
129	73 Frederick Parker	73	—	11.0	15.1
158	84 George Blair	84	—	16.5	17.6
84	45 Jackson Group	84	+2	6.0	7.1
153	103 James Burrough	117	-3	7.9	6.8
202	242 Robert Jenkins	202	—	31.3	11.0
232	175 Torday	225	—	16.1	8.7
34	114 Twinkl Ord.	134	—	—	—
80	70 Twinkl 12 1/2 ULS	76	—	12.0	15.8
56	23 Unilock Holdings	49	—	2.5	5.3
80	45 Unilock Holdings New	46	—	—	9.8
80	42 Walter Alexander	84	—	4.4	4.6
237	136 W. S. Yates	237	+2	12.1	5.1

† Accounts prepared under provisions of SSAP 15.

## Armourer with £4.75bn to spend

The £1.5bn for re-equipping the three-armed services with non-nuclear arms announced by the Government on Monday, is only a quarter of what Mr. David Cardwell expects to spend this year.

Of his £4.75bn procurement budget over £3bn will go on new equipment and repairs, 35 per cent of it to British industry. The other £1.5bn is allocated to Britain's biggest research and development programme, in technical support of his purchases.

Mr. Cardwell is the newly-appointed second permanent secretary of the Ministry of Defence, responsible for procurement. He is a technical man; an engineer who has been director of two of the 12 big research and development establishments which form half of his empire.

"I think there's a good argument for having a technical man," it's a tremendous advantage for someone who sits in this chair to have worked in the R and D establishments.

Mr. Cardwell, 58, graduated from the City and Guilds College of the University of London, and has spent his career in defence. He arrives at the Ministry from the most secret of its defence research centres: Aldermaston, the Atomic Weapons Research Establishment, where nuclear warheads are designed and assembled and where the secrets never wear out.

He confesses that he is a peace-loving man who believes the best way to prevent war is to deter the other fellow from fighting.

Mr. David Cardwell

Mr. David Cardwell, recently appointed chief of defence procurement for the Ministry of Defence, tells David Fishlock; Science Editor, about his three main aims.

includes 6,300 senior scientific and professional staff.

For two years he was director of Aldermaston — "a magnificent establishment" — during a particularly exciting period when the £1bn Chevaline project, the new warhead for Polaris missiles announced by the Government in January, was being assembled and tested.

## No hiccup

But he denies that his experience at Aldermaston, and the fact that the Ministry is about to begin procuring a new nuclear armoury, has anything specific to do with being chosen for his present post.

In David Cardwell's view, there is no real separation between the four phases of procurement: research, development, design and production. "Ideally they should be carefully phased in with industry so that there is no hiccup."

The basic philosophy of the Ministry is that design related to production shall be done close to production—in private industry for most equipment, or in the Royal Ordnance Factories for some tanks and munitions.

For the Challenger, the new main battle tank for the mid-1990s, for example, the Military Vehicle Experimental Establishment at Chobham will do the innovative design. RoF Leeds will do the detailed design, and Chobham will test the components and tackle problems arising as the 60-tonne tank takes shape.

industry feels free to express views on the overall purchasing policy of the Ministry.

In this way, he believes, he is also a safeguard for industry against damage by short-term decisions. "The important thing is that we should understand each other."

The Government's latest defence estimates put overseas sales by the UK defence industry at £1.2bn this year, and calculate that these activities provide 75,000 jobs. The head of defence sales is also represented on the defence procurement "board."

The third target for Mr. Cardwell's efforts is managing the £1.5bn defence R & D budget, and a staff of 28,000 on 47 sites in this sector alone. This

can fall foul of many factors, from political will to the state of technology of the prospective partners. Sometimes projects simply turn out to be too small—or too urgently needed.

Britain today is striving extremely hard to establish more joint ventures in defence equipment, he says. It has a defence industry "of absolute profound importance to the alliance."

It has also been encouraged by some success stories. He cites as "great successes" the Anglo-German-Italian Tornado and the F14 to towed bowitzer (with a self-propelled version under development for the late 1980s by the same three partners).

Some 15 per cent of its equipment budget goes on collaborative projects, developed either with Germany and Italy or with France (aircraft, helicopter and missiles). "I doubt whether more can be done than is being done. I shall be very dissatisfied if we don't get some successes in the months ahead."

The second target for his own efforts is the Ministry's relationships with the UK defence industry. As an engineer dealing with a research-based industry he believes he more readily understands what industry is saying, and lends a more sympathetic ear than a non-technical administrator might do.

His job, as he sees it, is not to interfere with the detailed purchasing policies of his three system controllers but to establish broad relationships so that

## BASE LENDING RATES

A.B.N. Bank	16 %	Hambros Bank	16 %
Allied Irish Bank	16 %	Hill Samuel	16 %
American Express Bk.	16 %	C. Hoare & Co.	16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Barclays Bank	16 %	Industrial Bk. of Scot.	17 1/2 %
Bank of America	16 %	Keyser Ullmann	16 %
Bank of Canada	16 %	Knowles & Co. Ltd.	16 %
Bank of China	16 %	Langris Trust Ltd.	16 %
Bank of Ceylon	16 %	Lloyds Bank	16 %
Bank of India	16 %	Midland Bank	16 %
Bank of Japan	16 %	Samuel Montagu	16 %
Bank of New South Wales	16 %	Morgan Grenfell	16 %
Bank of Paris	16 %	National Westminster	16 %
Bank of Rome	16 %	Norwich General Trust	16 %
Bank of Spain	16 %	P. S. Refson & Co.	16 %
Bank of Sweden	16 %	Rossmore	16 %
Bank of Switzerland	16 %	Tru. Bk. Canada (Ldn.)	16 %
Bank of the Netherlands	16 %	Schlesinger Limited	16 %
Bank of the United Kingdom	16 %	E. S. Schwab	16 %
Bank of the West	16 %	Security Trust Co. Ltd.	17 %
Bank of the West Indies	16 %	Standard Chartered	16 %
Bank of the West Indies	16 %	Trade Dev. Bank	16 %
Bank of the West Indies	16 %	Trustee Savings Bank	16 %
Bank of the West Indies	16 %	Twentieth Century Bk.	16 %
Bank of the West Indies	16 %	United Bank of Kuwait	16 %
Bank of the West Indies	16 %	Whiteaway Laidlaw	16 %
Bank of the West Indies	16 %	Williams & Glyn's	16 %
Bank of the West Indies	16 %	Wintrest Sec. Ltd.	16 %
Bank of the West Indies	16 %	Yorkshire Bank	16 %
Bank of the West Indies	16 %	Members of the Accepting Houses Committee	16 %
Bank of the West Indies	16 %	7-day deposits 14%, 1-month deposits 14 1/2 %	16 %
Bank of the West Indies	16 %	7-day deposits on sums of £10,000 and under 14%, up to £25,000 14 1/2 %	16 %
Bank of the West Indies	16 %	14% and over £25,000 14 1/2 %	16 %
Bank of the West Indies	16 %	Call deposits over £1,000 14 1/2 %	16 %
Bank of the West Indies	16 %	Demand deposits 14 1/2 %	16 %

## EUROPEAN OPTIONS EXCHANGE

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## WORLD STOCK MARKETS

## Companies and Markets

## NEW YORK

Stock	July 17	July 16
ACF Industries	25 1/2	25 1/2
Alcoa	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2
Alcoa Ind.	25 1/2	25 1/2

## Stock

Stock	July 17	July 16
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2
Columbia Gas	39 1/2	39 1/2

## Stock

Stock	July 17	July 16
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2
Gl. Atl. Pac. Tea	5 1/2	5 1/2

## Stock

Stock	July 17	July 16
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2
Mesa Petroleum	43 1/2	43 1/2

## Stock

Stock	July 17	July 16
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2
Schultz Brew	7 1/2	7 1/2

## Stock

Stock	July 17	July 16
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2
Simplex Patt.	9 1/2	9 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Stock

Stock	July 17	July 16
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2
St. Louis Ind.	17 1/2	17 1/2

## Early 6.71 rise on Wall St.

STOCKS CONTINUED their strong advance in heavy trading on Wall Street yesterday, following the three year high reached on Thursday.

The Dow Jones Industrial Average rose another 3.71 to 924.51, making a rise of 32.63 on the week, while the NYSE All Common Index, at 369.89, rose 36 cents on the day and \$2.45 on the week. Advances led declines by a two-to-one majority, while the trading volume sharply expanded 9.54m shares to 41.74 compared with 1 pm Thursday.

News that the economy sagged 0.1 per cent in the second quarter was expected and had little impact. Analysts said investors were focusing more on signs from the Housing, Motor and Retail sectors that the steepest part of the downturn has passed.

Companies that should benefit from a revival of Home Building moved higher. U.S. Home were lifted \$2 to \$27 1/4—Thursday it reported a 30.6 per cent jump in June New Home Orders.

Copper Producers firmed. They should benefit from higher demand for Copper Wire & Pipe. Kennecott added \$1 to \$28 1/4. Phelps Dodge also \$1 to \$28 1/4. International Nickel added \$1 to \$36 1/4.

Defence / Aerospace issues gained ground Pacific Scientific rose \$1 to \$21 1/4. Loral \$1 to \$27 1/4, active Boeing \$1 to \$40 1/4. United Technologies \$1 to \$47 1/4.

Merck improved \$1 to \$73 on its higher second quarter net earnings. Northwest Energy put on \$1 to \$33 1/4. Panhandle Eastern rose \$1 to \$33 1/4. Interior West \$1 to \$33 1/4. Energy Resources \$1 to \$40 1/4. TransCanada Pipelines \$1 to \$26 1/4.

Closing prices for North America were not available for this edition.

lower June quarter net earnings. High Technology issues improved. Data Terminal Systems moved up \$1 to \$27 1/4. Digital Equipment \$1 to \$37 1/4. Advanced Micro Devices \$1 to \$42 1/4.

THE AMERICAN SE Market Value Index gained 0.08 to 312.98, making a rise of 6.39 on the week. Computer issues were active. AMDahl rose \$1 to \$25 1/4. Soliton Devices \$1 to \$63.

Markets were sharply higher in very active trading around Toronto yesterday. The Toronto Composite Index climbed 19.1 to 2,153.0 and 12 of 14 sub-indices advanced.

The Metals and Minerals Index moved up 35.1 to 2017.7. Oil and Gas 36.9 to 501.1. Banks 3.48 to 361.63. Papers 4.70 to 187.02. Utilities 0.7 to 288.8. But Gold dipped 73.1 to 432.0.

Alberga Gas Trunk "A" rose \$1 to \$35 1/4 and Steel of Canada "A" \$1 to \$32 1/4—the Federal Government has approved the construction of the Southern Canadian portion of the Alaska natural gas pipeline.

Most leading shares slipped back, largely on profit taking. There was some support for the market from Domestic Institutions, but Foreign buyers were not particularly in evidence.

In Options trading, volume and prices both rose and demand centred on Calls for BMW, Hoescht, Sperry Rand and Phillips, as well as Puts for VW, AEG and Commerbank.

Public Authority Bonds rallied further although they were held up to DM 0.30. The Bundesbank sold DM 20m of stock, after sales of DM 7.5m Thursday.

Prices eased generally in a thin market with no fresh factors in evidence. Motors, Engineering, Hotels and Chemicals eased with Rubbers weakened while remaining sectors were mixed. Peugeot shed FRF 2.5 to 205.5.

Export-oriented issues also closed firm although some front runners eased on late profit taking.

Higher in active trading spurred by a market belief that local Prime Rate will be cut today following the latest cuts in U.S. interest rates.

Jardine Matheson moved up HK\$1.40 to 20.90.

Gold shares mostly easier following the dollar price rise. Some issues rose after announcing higher dividends Thursday.

Val Reefs rose 32.5 cents to 3,600 cents on its dividend and Southval moved up 100 cents to 3,525 cents on its results.

Financials were mixed. Industrials also were mixed, with Sappi gaining 5 cents to 845 cents in further reaction to its results.

U.S. move by Banco Central. By Our Financial Staff. THE New York Federal Reserve Bank has approved an application by Banco Central SA of Madrid to acquire United American Bank. As part of the agreement, Banco Central will increase the capital of United American and has agreed to maintain United American's capital position.

United American has six branches in New York City and \$44m in deposits.

French bond issue. FRANCE's Caisse Nationale de Renseignements a launched a FRF 2.5bn six-year domestic bond with a 13.8 per cent coupon next week. Major reports from Paris. The par priced bond yields a gross 13.82 per cent at issue and is lead managed by Banque Nationale de Paris.

Prices closed higher, led by Pharmaceuticals and "Big Caps", in line with overnight gains on Wall Street. Volume 300m shares.

The market was largely unaffected by Thursday's announcement of a new Japanese Cabinet, while interest in the yen moved towards the close ahead of the market holiday today.

CANADA	July 17	July 16	July 15
Albitol	19 1/2	19 1/2	19 1/2
Alcan Alumin.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2
Alcan Ind.	14 1/2	14 1/2	14 1/2

BELOW (continued)	July 18	Price	July 17	Price
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00

BELOW (continued)	July 18	Price	July 17	Price
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00
Belmont	100.00	100.00	100.00	100.00

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

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These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1,400 industrials plus 40 Utilities, 40 Financials and 20 Transports. C closed, U unavailable.

These values of all indices are 100 except NYSE All Common—50. Standard and Poors—100, and Toronto—100, the last named based on 1975. Excluding bonds, 1,400 industrials, 1

























## BRITISH FUNDS

High	Low	Stock	Price	Yield	Div.
<b>"Shorts" (Lives up to Five Years)</b>					
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## Five to Fifteen Years

High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## Over Fifteen Years

High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## Undated

High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## INTERNATIONAL BANK

High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## CORPORATION LOANS

High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

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High	Low	Stock	Price	Yield	Div.
100	99	Exchange 12pc 1989/91	99.5	13.29	14.81
100	99	Exchange 12pc 1990/92	99.5	13.29	14.81
100	99	Exchange 12pc 1991/93	99.5	13.29	14.81
100	99	Exchange 12pc 1992/94	99.5	13.29	14.81
100	99	Exchange 12pc 1993/95	99.5	13.29	14.81
100	99	Exchange 12pc 1994/96	99.5	13.29	14.81
100	99	Exchange 12pc 1995/97	99.5	13.29	14.81
100	99	Exchange 12pc 1996/98	99.5	13.29	14.81
100	99	Exchange 12pc 1997/99	99.5	13.29	14.81
100	99	Exchange 12pc 1998/00	99.5	13.29	14.81
100	99	Exchange 12pc 1999/01	99.5	13.29	14.81
100	99	Exchange 12pc 2000/02	99.5	13.29	14.81
100	99	Exchange 12pc 2001/03	99.5	13.29	14.81
100	99	Exchange 12pc 2002/04	99.5	13.29	14.81
100	99	Exchange 12pc 2003/05	99.5	13.29	14.81
100	99	Exchange 12pc 2004/06	99.5	13.29	14.81
100	99	Exchange 12pc 2005/07	99.5	13.29	14.81
100	99	Exchange 12pc 2006/08	99.5	13.29	14.81
100	99	Exchange 12pc 2007/09	99.5	13.29	14.81
100	99	Exchange 12pc 2008/10	99.5	13.29	14.81
100	99	Exchange 12pc 2009/11	99.5	13.29	14.81
100	99	Exchange 12pc 2010/12	99.5	13.29	14.81

## FINANCIAL TIMES

PUBLISHED IN LONDON &amp; FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4A 3DF  
 Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantime, London.  
 Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1.  
 Telex: Editorial 416052. Commercial 416195. Telephone: Editorial 7598 234. Commercial 7598 1.

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